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MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

between

CHICAGO 540 HOTEL, L.L.C.,
a Delaware limited liability company
(as Mortgagor)

and

CONNECTICUT GENERAL LIFE INSURANCE COMPANY,
a Connecticut corporation
(as Mortgagee)

Mortgage Amount: \$140,000,000
Dated: April 6, 2004
Property: 540 North Michigan Avenue
Address: Chicago, Illinois 60611
P.I.N. 17-10-121-007-0000
17-10-121-009-0000
17-10-121-011-0000

PREPARED BY AND UPON
RECORDATION RETURN TO:

Kelley Drye & Warren LLP
101 Park Avenue
New York, NY 10178
Attention: Paul A. Keenan, Esq.

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MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage") is made as of the 6th day of April, 2004 between CHICAGO 540 HOTEL, L.L.C., a Delaware limited liability company, having an address c/o LaSalle Hotel Properties, 4800 Montgomery Lane, Suite M25, Bethesda, Maryland 20814, Attention: Chief Financial Officer ("Mortgagor"), in favor of CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation, having an address at c/o CIGNA Retirement & Investment Services, 280 Trumbull Street, Hartford, Connecticut 06103, Attention: Debt Asset Management, Routing H-11-G (together with its successors and assigns, "Mortgagee").

RECITALS

WHEREAS, Mortgagor and Mortgagee are parties to a Loan Agreement of even date herewith (said Loan Agreement, as modified and supplemented and in effect from time to time, the "Loan Agreement"), which Loan Agreement provides for a loan in the amount of One Hundred Forty Million Dollars (\$140,000,000) (the "Loan") to be made by Mortgagee to Mortgagor. The Loan is to be evidenced by, and repayable with interest thereon, Default Rate interest, and Late Charges, together with the Prepayment Fee, if any, in accordance with a promissory note executed and delivered to the order of Mortgagee (such note, as modified and supplemented and in effect from time to time, the "Note");

WHEREAS, Mortgagor contemplates that Mortgagee's interest in and to, *inter alia*, the Loan (or a portion thereof), the Note, this Mortgage and the Loan Documents may be assigned by Mortgagee to another Person, including without limitation to a trustee on behalf of security holders in connection with a Securitization;

WHEREAS, it is a condition to the obligation of Mortgagee to extend credit to Mortgagor pursuant to the Loan Agreement that Mortgagor execute and deliver this Mortgage;

NOW, THEREFORE, in consideration of the making of the Loan by Mortgagee to Mortgagor and the covenants, agreements, representations and warranties set forth in the Loan Documents, and for the purpose of securing the following (collectively, the "Loan Obligations"):

(a) all principal (including, without limitation, any advance to Mortgagor now or hereafter made), interest, Default Rate interest, Late Charges, the Prepayment Fee, if any, owing from time to time under the Note, and all obligations owing by Mortgagor under the Loan Documents and amendments, modifications, extensions, substitutions, exchanges and renewals of the Loan Documents (each of which amendment, modification, extension, substitution, exchange and renewal shall enjoy the same priority as the advance made on the Closing Date as evidenced by the Note) and all amounts from time to time owing by Mortgagor under this Mortgage or any of the other Loan Documents; and

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(b) all covenants, agreements and other obligations of Mortgagor under the Loan Documents;

Mortgagor hereby irrevocably grants, bargains, sells, releases, conveys, warrants, assigns, transfers, mortgages, pledges, sets over and confirms unto Mortgagee, its successors and assigns, **WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION**, to have and to hold forever, subject to all of the terms, conditions, covenants and agreements herein set forth, for the security and benefit of Mortgagee and its respective successors and assigns, all Mortgagor's interest now owned or hereafter acquired in the following described land, real estate, buildings, improvements, equipment, fixtures, furniture, and other personal property (which together with the Security Interest Property (as hereinafter defined) and any additional such property and interests hereafter acquired by Mortgagor and subjected to the lien of this Mortgage, or intended to be so, as the same may be from time to time constituted, is hereafter referred to as the "Mortgaged Property") to-wit:

(a) All the land located in the Cook County, Illinois identified in Exhibit A attached hereto, as more particularly described in such Exhibit A (the "Land");

(b) All Improvements and Equipment located on the Land (the Land, Improvements and Equipment collectively, the "Facility");

(c) All Appurtenant Rights;

(d) All Rents;

(e) All Additional Collateral; and

(f) All products and Proceeds of any of the foregoing.

AND, as additional security, Mortgagor, as debtor, hereby grants to Mortgagee a continuing security interest in the foregoing property and in the Mortgaged Property, and in any property as to which a security interest can be created or perfected, now existing or hereafter coming into existence, and all substitutions replacements, renewals and additions to and all products and Proceeds of the foregoing (collectively, the "Security Interest Property"). This Mortgage is intended to be and shall be effective as a security agreement pursuant to the UCC.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns forever, subject to the terms and conditions herein;

PROVIDED, HOWEVER, that these presents are upon the express condition that, if Mortgagor shall pay or cause to be paid to Mortgagee the principal, interest, Default Rate interest, Late Charges, and the Prepayment Fee, if any, payable in respect to the Note, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by Mortgagor, and shall keep, perform, and observe all and singular the covenants and promises in each of the Loan Documents and in the Loan Agreement expressed to be kept, performed, and observed by and on the part of Mortgagor, all without fraud, then this Mortgage, and all the properties, interests, and rights hereby granted, bargained,

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and sold shall cease, terminate and be void; otherwise the same shall remain in full force and effect.

TO PROTECT THE SECURITY OF THIS MORTGAGE, MORTGAGOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

ARTICLE 1

DEFINITIONS

Section 1.1. Certain Defined Terms. For all purposes of this Mortgage all capitalized terms shall have the meaning ascribed thereto in the Loan Agreement unless defined herein, and:

"Accounts" means all of Mortgagor's right, title and interest in and to the Collateral Accounts and any other "accounts," as such term is defined in the UCC, and, to the extent not included in such definition, all rights to payment for goods sold or leased or for services rendered arising from the ownership or operation of the Facility and not evidenced by an Instrument, including, without limitation, all accounts and accounts receivable arising from the ownership or operation of the Facility, now existing or hereafter coming into existence, and all proceeds thereof (whether cash or non cash, movable or immovable, tangible or intangible) received from the sale, exchange, transfer, collection or other disposition or substitution thereof.

"Additional Collateral" means, collectively, the Accounts, Condemnation Proceeds, General Intangibles, Instruments, Insurance Proceeds, Inventory, Leases, Money and Permits (to the full extent assignable), all whether now owned or hereafter acquired, and all other property which is or hereafter may become subject to a Lien in favor of Secured Party. Collateral shall not include any property belonging to tenants under Leases except to the extent that Debtor shall have any right or interest therein.

"Americans with Disabilities Act" means the Americans with Disabilities Act of 1990, as amended.

"Appurtenant Rights" means all easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights, air rights, development rights and powers, and, to the extent now or hereafter owned by Mortgagor, all minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter appurtenant to, or used in connection with, or located on, under or above the Land or any part or parcel thereof, and all ground leases, subleases, estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversions, and remainders whatsoever, in any way belonging, relating or appertaining to the Land or any part thereof.

"Collateral Accounts" means collectively, those certain accounts established at LaSalle Bank National Association, Chicago, Illinois entitled "Connecticut General Life Insurance Company, as Mortgagee of Chicago 540 Hotel, L.L.C." bearing Account Nos. 721433.1 and 580-025-1356.

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“Commercially Reasonable Cost” means the amount that a reasonable and prudent investor would be willing to pay for the required Terrorism Insurance, but in no event less than \$75,000.00.

“Condemnation Proceeds” means any and all awards, compensation reimbursement and proceeds paid or to be paid in connection with a Taking.

“Equipment” means all of Mortgagor’s “equipment,” as such term is defined in the UCC, and, to the extent not included in such definition, all fixtures, appliances, machinery, furniture, furnishings, decorations, tools and supplies, now owned or hereafter acquired by Mortgagor, including, without limitation, all beds, linens, radios, televisions, carpeting, telephones, cash registers, computers, lamps, glassware, restaurant and kitchen equipment, and building equipment, including, without limitation, all heating, lighting, incinerating, waste removal and power equipment, engines, pipes, tanks, motors, conduits, switchboards, security and alarm systems, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigeration, washing machines, dryers, stoves, refrigerators, ventilating, and communications apparatus, air cooling and air conditioning apparatus, escalators, elevators, ducts, and compressors, materials and supplies, and all other machinery, apparatus, equipment, fixtures and fittings now owned or hereafter acquired by Mortgagor, wherever located, any portion thereof or any appurtenances thereto, together with all additions, replacements, parts, fittings, accessions, attachments, accessories, modifications and alterations of any of the foregoing.

“Event of Default” has the meaning provided in the Loan Agreement.

“Facility” has the meaning provided in the Recitals of this Mortgage.

“General Intangibles” means all of Mortgagor’s right, title and interest in and to “general intangibles,” as such term is defined in the UCC, and, to the extent not included in such definition, all intangible personal property of Mortgagor (other than Accounts, Rents, Instruments, Inventory, Money and Permits), including, without limitation, choses in action, settlements, judgments, contract rights, rights to performance (including, without limitation, rights under warranties) refunds of real estate taxes and assessments and other rights to payment of Money, copyrights, trademarks, trade names, service marks, trade secrets, and patents, the goodwill associated with any of the foregoing, and all applications for any of the foregoing, in each case whether now existing or hereafter in existence.

“Impositions” means all ground rents and all taxes (including, without limitation, all real estate, ad valorem or value added, sales (including those imposed on lease rentals), use, single business, gross receipts, value added, intangible transaction privilege, privilege, license or similar taxes), assessments (including, without limitation, to the extent not discharged prior to the Closing Date, all assessments for public improvements or benefits, whether or not commenced or completed within the term of this Mortgage), water, sewer or other rents and charges, excises, levies, fees (including, without limitation, license, permit, inspection, authorization and similar fees), and all other governmental charges, in each case whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character in respect of the Facility, (including all interest and penalties thereon), which at any time prior to, during or in respect of the term hereof may be assessed or imposed on or in respect of or be a Lien upon (i)

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Mortgagor (including, without limitation, all income, franchise, single business or other taxes imposed on Mortgagor for the privilege of doing business in the jurisdiction in which the Facility, or any other Security Interest Property is located) or Mortgagee, (ii) the Facility, or any other Security Interest Property or any part thereof, or (iii) any occupancy, operation, use or possession of, or sales from, or activity conducted on, or in connection with the Facility or the leasing or use of the Facility or any part thereof, or the acquisition or financing of the acquisition of the Facility by Mortgagor.

"Improvements" means all buildings, structures and improvements of every nature whatsoever situated on the Land on the Closing Date or at any time thereafter, including, without limitation, to the extent of Mortgagor's right, title or interest therein or thereto, all gas and electric fixtures, radiators, heaters, washing machines, dryers, refrigerators, ovens, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures, antennas, carpeting and other floor coverings, water heaters, awnings and storm sashes, and cleaning apparatus which are or shall be attached to the Land or said buildings, structures or improvements.

"Institutional Investor" means any bank, savings and loan association, trust company, insurance company, pension fund, investment advisor, credit union, real estate investment trust or charitable foundation actively engaged in owning, acquiring or financing major commercial real estate properties.

"Instruments" means all of Mortgagor's right, title and interest in and to "instruments," as such term is defined in the UCC, and, to the extent not included in such definition, all instruments, chattel paper, documents or other writings obtained by Mortgagor from or in connection with the ownership or operation of the Facility evidencing a right to the payment of Money, including, without limitation, all notes, drafts, acceptances, documents of title, and policies and certificates of insurance, including but not limited to, liability, hazard, rental and credit insurance, guarantees and securities, now or hereafter received by Mortgagor or in which Mortgagor has or acquires an interest pertaining to the foregoing.

"Insurance Proceeds" means any and all Proceeds of any policy of insurance required by this Mortgage to be obtained and maintained by Mortgagor.

"Insurance Requirements" means all material terms of any insurance policy required pursuant to this Mortgage and all material regulations and any use or condition thereof, which may, at any time, be recommended by the Board of Fire Underwriters, if any, having jurisdiction over the Mortgaged Property, or such other body exercising similar function.

"Inventory" means all of Mortgagor's right, title and interest in and to "inventory," as such term is defined in the UCC, and, to the extent not included in such definition, all goods now owned or hereafter acquired by Mortgagor intended for sale or lease, or to be furnished under contracts of service by such Mortgagor in connection with the Facility, including, without limitation, all inventories held by Mortgagor for sale or use at or from the Facility, and all other such goods, wares, merchandise, and materials and supplies of every nature owned by Mortgagor and all such other goods returned to or repossessed by Mortgagor.

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“Land” has the meaning provided in the Recitals to this Mortgage.

“Leases” means the Operating Lease and all other leases and other agreements or arrangements affecting the use or occupancy of all or any portion of the Facility now in effect or hereafter entered into (including, without limitation, all lettings, subleases, licenses, concessions, tenancies and other occupancy agreements covering or encumbering all or any portion of the Facility), together with any guarantees, supplements, amendments, modifications, extensions and renewals of the same, and all additional remainders, reversions, and other rights and estates appurtenant thereto.

“Loan” has the meaning provided in the Recitals to this Mortgage.

“Loan Agreement” has the meaning provided in the Recitals to this Mortgage.

“Loan Obligations” has the meaning provided in the Recitals to this Mortgage.

“Money” means all moneys, cash, rights to deposit or savings accounts, credit card receipts, rents or other items of legal tender obtained from or for the use in connection with the ownership or operation of the Facility.

“Mortgaged Property” has the meaning provided in the Recitals to this Mortgage.

“Mortgagee” has the meaning provided in the preamble to this Mortgage.

“Mortgagor” has the meaning provided in the preamble to this Mortgage.

“Note” has the meaning provided in the Recitals to this Mortgage.

“Permits” means all of Mortgagor’s right, title and interest in and to all licenses, registrations, permits, allocations, filings, authorizations, approvals and certificates used in connection with the ownership, operation, construction, renovation, use or occupancy of the Facility, including, without limitation, building permits, business licenses, state health department licenses, food service licenses, liquor licenses, licenses to conduct business and all such other permits, licenses and rights, obtained from any Governmental Authority or private Person concerning the ownership, construction, operation, renovation, use or occupancy of the Facility.

“Proceeds” means all of Mortgagor’s right, title and interest in and to “proceeds” as such term is defined in the UCC and, to the extent not included in such definition, all proceeds, whether cash or non-cash, movable or immovable, tangible or intangible (including Insurance Proceeds, Condemnation Proceeds, and proceeds of proceeds), from the Security Interest Property, including, without limitation, those from the sale, exchange, transfer, collection, loss, damage, disposition, substitution or replacement of any of the Security Interest Property and all income, gain, credit, distributions and similar items from or with respect to the Security Interest Property.

“REA” means that certain Reciprocal Easement Agreement between RN 540 Hotel Company L.L.C. and Mortgagor dated as of January 25, 2000.

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“Rents” means, with respect to the Facility, all of Mortgagor’s right, title and interest in and to all rents, (whether denoted as advance rent, minimum rent, percentage rent, additional rent or otherwise), receipts, issues, income, royalties, profits, revenues, proceeds, bonuses, deposits (whether denoted as security deposits or otherwise), lease termination fees or payments, rejection damages, buy-out fees and any other fees made or to be made in lieu of rent, any award made hereafter to Mortgagor in any court proceeding involving any tenant, lessee, licensee or concessionaire under any of the Leases in any bankruptcy, insolvency or reorganization proceedings in any state or federal court, and all other payments, rights and benefits of whatever nature from time to time due under the Leases, including, without limitation, (i) rights to payment earned under the Leases for space in the Improvements for the operation of ongoing businesses, such as restaurants, news stands, barber shops, beauty shops and pharmacies, and (ii) all other income, consideration, issues, accounts, profits or benefits of any nature arising from the ownership, possession, use or operation of the Facility, including, without limitation, all revenues, receipts, income, receivables and accounts relating to or arising from rentals, rent equivalent income, income and profits from guest rooms, meeting rooms, food and beverage facilities, vending machines, telephone and television systems, guest laundry, and the provision or sale of other goods and services, as well as all room rents, accounts, accounts receivable and hotel receivables and all other payments and rights to payment of any nature whatsoever made for or with respect to hotel room occupancy by any person, which includes any payment or monies received or to be received in whole or in part, whether actual or deemed to be, for the sale of services or products in connection with such occupancy, advance registration fees by hotel guests, tour or junket proceeds or deposits, deposits for convention and/or party reservations, and other benefits, and all rights to payment with respect to conference facilities, dining or bar facilities or other facilities in any way connected with the Facility, all rights to payment from any consumer credit charge card organization or entity including, without limitation, payments arising from the use of the American Express Card, Discover Card, the Visa Card, the Carte Blanche Card, the MasterCard or any other credit card, including those now existing or hereafter created, substitutions therefor, and proceeds thereof (whether cash or non-cash, movable or immovable, tangible or intangible) received from the sale, exchange, transfer, collection or other disposition or substitution thereof, and any other items of revenue, receipts or other income as identified in the Uniform System of Accounts for Hotels (as defined in the Management Agreement).

“Taking” means a temporary or permanent taking or voluntary conveyance of all or part of the Facility, or any interest therein or right accruing thereto or use thereof, as the result of, or in settlement of, any condemnation or other eminent domain proceeding by any Governmental Authority affecting the Facility or any portion thereof whether or not the same shall have actually been commenced.

“Terrorism Insurance” has the meaning provided in Section 2.5(a).

“UCC” means the Uniform Commercial Code in effect in the jurisdiction in which the Facility or any of the Security Interest Property is located, as applicable.

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Section 1.2. Interpretation of Defined Terms.

Singular terms shall include the plural forms and vice versa, as applicable, of the terms defined.

All references to other documents or instruments shall be deemed to refer to such documents or instruments as they may hereafter be extended, renewed, modified or amended, and all replacements and substitutions therefor.

ARTICLE 2

COVENANTS AND AGREEMENTS OF MORTGAGOR

Section 2.1. Payment of Secured Loan Obligations. Mortgagor shall pay when due the principal, the interest, Default Rate interest, Late Charges, and the Prepayment Fee, if any, owing from time to time under the Note and all charges, fees and other Loan Obligations as provided in and strictly in accordance with the Loan Agreement, this Mortgage and the other Loan Documents.

Section 2.2. Title; etc.

(a) Mortgagor represents and warrants that (i) Mortgagor owns and has good, marketable and insurable fee simple title in and to the Facility, free and clear of all Liens and other matters affecting title other than the Permitted Encumbrances and other Liens permitted under the Loan Agreement, and (ii) there are no outstanding options to purchase or rights of first refusal affecting the Facility other than as set forth in the Amended and Restated Limited Liability Company Operating Agreement of Mezzanine Borrower.

(b) Mortgagor represents and warrants that Mortgagor owns and has good and valid title to all existing personal property and fixtures hereby mortgaged, or in which Mortgagor is hereby granting to Mortgagee a security interest, subject only to the Permitted Encumbrances and other Liens permitted under the Loan Agreement.

(c) Mortgagor represents and warrants that (i) it has the full power and authority to grant, bargain, sell, release, convey, warrant, assign, transfer, mortgage, pledge, set over and confirm unto Mortgagee the Mortgaged Property as hereinabove provided and (ii) it will defend the validity and priority of the lien or estate hereof against the claims and demands of all Persons whomsoever.

Section 2.3. Further Assurances; Filing; Re-Filing; etc.

(a) Mortgagor shall execute, acknowledge and deliver, from time to time, such further instruments as Mortgagee may reasonably require to accomplish the purposes of this Mortgage.

(b) Mortgagor, immediately upon the execution and delivery of this Mortgage, and thereafter from time to time, shall cause this Mortgage, any security agreement, mortgage, modification or amendment supplemental hereto and each document, instrument and

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agreement of further assurance, to be filed, registered or recorded and refiled, re-registered or re-recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and perfect the lien or estate of this Mortgage upon the Mortgaged Property and to accomplish the purposes of this Mortgage.

(c) Mortgagor shall pay all intangible taxes, recording taxes, filing, registration and recording fees, all refiling, re-registration and re-recording fees and all expenses incident to the execution, filing, recording and acknowledgment of this Mortgage, any security agreement, mortgage, modification or amendment supplemental hereto and any document, instrument and agreement of further assurance, and all federal, state, county and municipal stamp taxes and other taxes, duties, imposts, assessments and charges arising out of the execution, delivery, filing, registration and recording of the Note, this Mortgage or any of the other Loan Documents, any security agreement or mortgage supplemental hereto or any document instrument or agreement of further assurance.

(d) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or security agreements or debts secured thereby or the manner of collecting such taxes so as to adversely affect Mortgagee, this Mortgage or the lien hereof, Mortgagor will pay or cause to be paid any such tax on or before the due date thereof. If Mortgagor fails to make such prompt payment or if any such state, federal, municipal, or other governmental law, order, rule or regulation prohibits Mortgagor from making such payment or would penalize Mortgagee if Mortgagor makes such payment or if the making of such payment would result in the imposition of interest beyond the Maximum Amount, then the entire balance of the Loan Obligations shall, at the option of Mortgagee, become due and payable on the date that is one hundred twenty (120) days after the passage of such law, order, rule or regulation.

(e) Mortgagor hereby indemnifies and holds Mortgagee harmless from any sales or use tax that may be imposed on Mortgagee by virtue of the Loan from Mortgagee to Mortgagor other than taxes imposed on the income, stock or assets of Mortgagee.

Section 2.4. Liens. Without limiting the rights and obligations of Mortgagor under Section 2.6, Mortgagor shall (a) not create or suffer to be created any mortgage, deed of trust, lien, security interest, charge or encumbrance upon the Mortgaged Property or any portion thereof, prior to, on a parity with, or subordinate to the lien of this Mortgage other than a Permitted Encumbrance (other than liens being contested in accordance with the provisions of the Loan Agreement) and (b) pay and promptly discharge or cause to be paid and promptly discharged at Mortgagor's cost and expense, any such mortgages, deeds of trust, liens, security interests, charges or encumbrances upon the Mortgaged Property or any portion thereof or interest therein.

Section 2.5. Insurance; Casualty Events.

(a) At all times while the Loan is outstanding, Mortgagor shall maintain or cause Operating Lessee or Manager to maintain, the following insurance:

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(i) During any period of repair or restoration including, without limitation, during any period of repair or restoration necessitated by a casualty loss or a Taking, builder's "all risk" insurance in an amount equal to not less than the full insurable value of the Facility against such risks (including, without limitation, fire and extended coverage and collapse of the Improvements to agreed limits), in form and substance acceptable to Mortgagee;

(ii) Insurance with respect to the Improvements, Equipment and Inventory against any peril included within the classification "All Risks of Physical Loss" with extended coverage in amounts at all times sufficient to prevent Mortgagor from becoming a co-insurer within the terms of the applicable policies, but in any event such insurance shall be maintained in an amount equal to the Full Insurable Value of the Improvements, Equipment and Inventory located on the Facility. As used herein, "Full Insurable Value" means the actual replacement cost of the Improvements, Equipment and Inventory (without taking into account any depreciation), less excavation and foundation costs, as determined annually by Mortgagor including an endorsement covering acts of municipal authorities including increased cost of construction and demolition;

(iii) Commercial general liability insurance, including without limitation, contractual injury, bodily injury, broad form death and property damage liability, so-called "drumshop" insurance, and umbrella liability insurance against any and all claims, including all legal liability to the extent insurable imposed upon Mortgagor and all court costs and attorneys' fees and expenses, arising out of or connected with the possession, use, leasing, operation, maintenance or condition of the Facility in such amounts as are generally required by institutional lenders for properties comparable to the Facility but in no event with limits for the Facility of less than One Million Dollars (\$1,000,000) per occurrence with combined single limit coverage for bodily injury or property damage and excess (umbrella) liability coverage for the Facility of no less than One Hundred Million Dollars (\$100,000,000), with Mortgagee named as an additional insured;

(iv) Statutory workers' compensation insurance;

(v) Business interruption and/or loss of "rental value" insurance for the Facility in an amount equal to twelve (12) months estimated gross operating profits and based on the gross operating profits for the immediately preceding year and otherwise sufficient to avoid any co-insurance penalty with Mortgagee named as loss payee;

(vi) If all or any portion of the Improvements, or any portion of the Land is located within a federally designated flood hazard zone (other than Flood Zone B, C or D), flood insurance in an amount equal to the Full Insurable Value of the Facility;

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(vii) If not included within the coverage set forth in clause (ii) above, insurance against loss or damage from (A) leakage of sprinkler systems and (B) explosion of steam boilers, air conditioning equipment, pressure vessels, similar apparatus or other machinery now or hereafter installed at the Facility, in an amount equal to the Full Insurable Value;

(viii) Insurance against acts of terrorism (either by the issuance of the "all risk" policy described in clause (ii) without exclusion for acts of terrorism or by the issuance of a separate policy) including coverages, limits, deductibles and amounts relating to acts of terrorism that would be acceptable to an Institutional Investor with due regard for the size, mass, construction, type, location and use of the Facility (collectively, "Terrorism Insurance"); provided that Mortgagor shall not be required to spend more than the Commercially Reasonable Cost in additional annual insurance premiums to obtain Terrorism Insurance and, if full coverage for acts of terrorism is not available for an amount equal to or less than the Commercially Reasonable Cost, Borrower shall be required to spend an amount equal to the Commercially Reasonable Cost for such coverage, and, to the extent inconsistent with the Terrorism Insurance in place as of the Closing Date, the scope, amount, form, deductible and carrier with respect to such coverage shall be reasonably satisfactory to Mortgagee;

(ix) Insurance against employee dishonesty in an amount not less than \$5,000,000 and, if applicable, motor vehicle coverage containing minimum limits of not less than \$1,000,000 per occurrence and, in the case of motor vehicle coverage, with Mortgagee named as an additional insured;

(x) Innkeepers liability insurance in an amount equal to the greater of (i) the minimum amount required by law or (ii) One Thousand Five Hundred Dollars (\$1,500) per person and Two Hundred Fifty Thousand (\$250,000) per occurrence, with Mortgagee named as an additional insured thereunder; and

(xi) Except with regard to Terrorism Insurance, which is covered exclusively by clause (viii) above, such other insurance with respect to the Improvements, Equipment and Inventory located on the Facility against loss or damage as reasonably requested by Mortgagee provided such insurance is of the kind from time to time customarily insured against by owners of similar properties in the geographic region for which the Facility is located and in such amounts as are generally required by institutional lenders for properties comparable to the Facility or which Mortgagee may deem necessary in its reasonable discretion, the forms and amounts of which shall be reasonably acceptable to Mortgagee.

(b) Mortgagor will maintain, or cause Operating Lessee or Manager to maintain, the property insurance coverage described in Section 2.5 with companies acceptable to Mortgagee and with a claims paying ability of not less than "A" by S&P and "A2" by Moody's or if the carriers do not satisfy such rating requirement, the policies shall include a cut-through endorsement from an insurer rated not less than "A" by S&P and "A2" by Moody's.

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Notwithstanding the foregoing, such insurance may be maintained by a syndicate of insurers through which at least seventy-five percent (75%) of the coverage (if there are four (4) or fewer members of the syndicate) or at least sixty percent (60%) of the coverage (if there are five (5) or more members of the syndicate) is with carriers having such claims-paying ability ratings (provided that all such carriers shall have claims-paying ability ratings of not less than "BBB" or the equivalent by each of S&P and Moody's). The first \$10,000,000 of general liability/excess liability coverage shall be provided with carriers which satisfy the foregoing rating requirements.

The insurance coverage required under Section 2.5(a) may be effected under a blanket policy or policies covering the Mortgaged Property and other property and assets not constituting a part of the Mortgaged Property; provided that any such blanket policy shall in any case comply in all respects with the requirements of this Section 2.5. If requested by Mortgagee, Mortgagor shall provide, no more frequently than once per year, a schedule of any sublimits in such blanket policy applicable to the Mortgaged Property, which amounts shall not be less than the amounts required pursuant to Section 2.5(a).

(c) All insurance policies shall be in such form and with such endorsements and in such amounts as shall be reasonably satisfactory to Mortgagee as set forth herein. The policy referred to in Section 2.5(a)(ii) shall contain a replacement cost endorsement. If requested by Lender, the original policies shall be made available for review at the office of the Manager. If there is a question regarding coverage or if required in connection with a Securitization, certified copies of the property insurance policies shall be delivered to and shall be held by Mortgagee. All such policies shall name Mortgagor as the insured or additional insured and shall contain: (i) with respect to the policies required pursuant to Section 2.5(a)(i), (ii), (vi), (vii) and (viii), a so-called New York standard non-contributing mortgagee clause naming Mortgagee as the mortgagee; (ii) with respect to the policies required pursuant to Section 2.5(a)(i), (ii), (vi), (vii) and (viii), a waiver of subrogation endorsement as to Mortgagee and its assigns providing that no policy shall be impaired or invalidated by virtue of any act, failure to act, negligence of, or violation of declarations, warranties or conditions contained in such policy by Mortgagor, Mortgagee or any other named insured, additional insured or loss payee, except for the willful misconduct of Mortgagee knowingly in violation of the conditions of such policy; (iii) with respect to the policies required pursuant to Section 2.5(a)(i), (ii), (vi), (vii) and (viii), an endorsement indicating that neither Mortgagee nor Mortgagor shall be or be deemed to be a co-insurer with respect to any risk insured by such policies and shall provide that in the event of an occurrence for which multiple deductibles could apply, the combined deductible per loss for all policies shall be in an amount not more than that which is customarily maintained by prudent owners of property of the same type and quality as the Facility, but in no event in excess of One Hundred Thousand Dollars (\$100,000) (unless such greater amount is approved by Mortgagee) or, in the case of earthquake insurance five (5%) of the total insured value; (iv) a provision that such policies shall not be canceled or the scope or limits of coverage required herein reduced, without at least thirty (30) days prior written notice to Mortgagee in each instance; and (v) effective waivers by the insurer of all claims for insurance premiums against Mortgagee. Certificates of insurance on Accord 27 form or other form acceptable to Mortgagee with respect to all renewal and replacement policies shall be delivered to Mortgagee not less than ten (10) days prior to the expiration date of any of the insurance policies required to be maintained hereunder. If Mortgagor fails to deliver to Mortgagee certificates of insurance or other evidence reasonably acceptable to Mortgagee that the insurance required by this Mortgage is in full force

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and effect, Mortgagee may, at its option, after five (5) days written notice to Mortgagor giving Mortgagor the right to cure, procure such insurance, and Mortgagor shall reimburse Mortgagee for the amount of all premiums paid by Mortgagee thereon promptly, after demand by Mortgagee, with interest thereon at the Default Rate from the date paid by Mortgagee to the date of repayment, and such sum shall be a part of the Loan Obligations secured by this Mortgage. Mortgagor shall also deliver to Mortgagee upon request evidence of payment of the applicable premiums for the policies which are not maintained under the Manager's blanket policy. Mortgagee shall not by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of insurance contracts, solvency of insurance companies, or the carriers' or Mortgagor's payment or defense of lawsuits, and Mortgagor hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

(d) Subject to the terms of Sections 2.5 (e) and (f), Mortgagee shall be entitled to receive and collect all property Insurance Proceeds and all of the property Insurance Proceeds are hereby assigned to Mortgagee, and Mortgagor shall instruct and cause the issuer of each policy of insurance described herein to deliver to Mortgagee all property Insurance Proceeds. Mortgagor shall execute such further assignments of the Insurance Proceeds as Mortgagee may from time to time reasonably require. Without limiting the generality of the foregoing, following the occurrence of any casualty or damage involving the Mortgaged Property or any part thereof, Mortgagor shall give prompt notice thereof to Mortgagee and, subject to the terms of Sections 2.5 (e) and (f), shall cause all property Insurance Proceeds payable as a result of such casualty or damage to be paid to Mortgagee as additional collateral security hereunder subject to the lien of this Mortgage, to be applied by Mortgagee to the Loan Obligations.

(e) In the event of damage, destruction or a casualty with respect to the Facility where the property Insurance Proceeds are in excess of \$5,000,000.00, except as provided in Section 2.5(f) below, Mortgagor shall cause all property Insurance Proceeds to be paid to the Mortgagee, which shall apply such Insurance Proceeds to reduce the Indebtedness in accordance with Section 2.7 and Section 2.8 of the Loan Agreement. All property Insurance Proceeds received by Mortgagor or Mortgagee in respect of business interruption coverage (except those due to Manager) shall be deposited and maintained in the Collection Account, to be applied by Mortgagee in the same manner as Rents (other than security deposits); provided, however, that if the Insurance Proceeds of any such business interruption insurance policy are paid in a lump sum in advance, Mortgagee shall hold such Insurance Proceeds in a segregated interest-bearing escrow account at the Cash Collateral Account Bank, and Mortgagee shall estimate the number of months required for Mortgagor to restore the damage caused by the casualty to the Facility, shall divide the aggregate business interruption Insurance Proceeds in connection with such casualty by such number of months, and shall disburse from such escrow account into the Collection Account each month during the performance of such restoration such monthly installment of said Insurance Proceeds. Any Insurance Proceeds made available to Mortgagor for restoration or repair in accordance herewith, to the extent not used by Mortgagor in connection with, or to the extent they exceed the cost of, such restoration, shall be paid to Mortgagor.

(f) Notwithstanding anything to the contrary set forth in Section 2.5(e) above, Mortgagee agrees that Mortgagee shall make property the Insurance Proceeds (other than

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business interruption insurance proceeds, which shall be held and disbursed as provided in Section 2.5(e), available to Mortgagor for Mortgagor's repair, restoration or replacement of the Mortgaged Property damaged or taken, if Mortgagor is required to restore or repair the Facility pursuant to the terms of the Management Agreement or the REA or, to the extent Mortgagor is not required to restore or repair the Facility pursuant to the terms of the Management Agreement or REA, provided that the following conditions have been satisfied:

- (i) Not more than forty percent (40%) of the Facility is damaged;
- (ii) There does not then exist an Event of Default;
- (iii) Mortgagor can demonstrate to Mortgagee's satisfaction that Mortgagor has the financial ability to make all scheduled payments when due under the Loan Documents during reconstruction, from the proceeds of business interruption insurance, operation of the Facility, or Mortgagor's own funds or otherwise (and if such repair or restoration cannot be completed prior to the expiration of business interruption insurance, Mortgagor shall deposit with Mortgagee funds sufficient for the payment of same, which funds shall be held and disbursed in the same manner as any lump sum of business interruption insurance pursuant to Section 2.5(e));
- (iv) Such damage or destruction can be repaired on or prior to the earlier of (A) six (6) months prior to the Maturity Date (and Mortgagor shall have the right to extend the Maturity Date in accordance with the provision of Section 2.14 of the Loan Agreement in order to satisfy such requirement), (B) the date required pursuant to the Management Agreement and (C) the date required pursuant to the REA;
- (v) Projected Rents after completion of the restoration, as reasonably determined by Mortgagee, provide a Debt Service Coverage Ratio of not less than 1.50 to 1.0;
- (vi) The repairs and restoration will restore the Improvements to substantially the same size, design and utility as existed immediately prior to the casualty;
- (vii) Mortgagor can demonstrate to Mortgagee's reasonable satisfaction that Mortgagor has the financial ability to complete repair and restoration, from the Insurance Proceeds and/or from Mortgagor's own funds;
- (viii) Within ninety (90) days from the date of such loss or damage, Mortgagor shall have given Mortgagee a written notice electing to have the Insurance Proceeds applied for such repair, restoration or replacement of the Improvements, Equipment or Inventory, as applicable;
- (ix) Prior to any Insurance Proceeds being disbursed to Mortgagor, Mortgagor shall have provided to Mortgagee all of the following:

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(1) if loss or damage exceeds One Million Dollars (\$1,000,000.00), complete plans and specifications for restoration, repair and replacement of the Improvements, Equipment and Inventory,

(2) if loss or damage exceeds One Million Dollars (\$1,000,000.00), fixed-price or guaranteed maximum cost construction contracts for completion of the repair, restoration and replacement work in accordance with the aforementioned plans and specifications,

(3) such additional funds (if any) as in Mortgagee's reasonable opinion are necessary to complete the repair, restoration and replacement, and

(4) if loss or damage exceeds Five Hundred Thousand Dollars (\$500,000.00), copies of all permits and licenses (if any) necessary to complete the work in accordance with the plans and specifications and applicable law;

(x) If loss or damage exceeds Five Hundred Thousand Dollars (\$500,000.00), Mortgagee may, at Mortgagor's expense, retain an independent inspector reasonably acceptable to Mortgagor to review and approve plans and specifications and completed construction and to approve all requests for disbursement, which approvals shall be conditions precedent to release of the Insurance Proceeds as work progresses;

(xi) If loss or damage exceeds Five Hundred Thousand Dollars (\$500,000.00), each disbursement by Mortgagee of such Insurance Proceeds shall be funded subject to conditions and in accordance with disbursement procedures which a commercial construction lender would typically establish in the exercise of sound banking practices and shall be made only upon receipt of disbursement requests on an AIA G702/703 form (or similar form reasonably approved by Mortgagee) signed and certified by Mortgagor and its architect and general contractor with appropriate invoices, lien waivers and any other documents, instruments and items as may be required by Mortgagee in Mortgagee's discretion;

(xii) Mortgagor shall commence such work within one hundred twenty (120) days after such casualty and shall diligently pursue such work to completion; and

(xiii) Mortgagee shall have a first lien and security interest in all building materials and completed repair and restoration work and in all fixtures and equipment acquired with such Insurance Proceeds, and Mortgagor shall execute and deliver such mortgages, deeds of trust, security agreements, financing statements and other instruments as Mortgagee shall reasonably request to create, evidence, or perfect such lien and security interest.

(g) If and to the extent such Insurance Proceeds are not required to be made available to Mortgagor in accordance with Sections 2.5(e) and (f), to be used for the repair, restoration and replacement of the Mortgaged Property for which a loss or damage has occurred,

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or if Mortgagor fails to timely make such election or having made such election fails to timely comply with or is otherwise unable to satisfy the terms and conditions set forth herein, upon five (5) Business Days prior notice to Mortgagor, Mortgagee shall be entitled, without Mortgagor's consent, to apply such Insurance Proceeds, or the balance thereof, at Mortgagee's option either (x) to the full or partial payment or prepayment of the Loan Obligations in accordance with Section 2.7 and Section 2.8 of the Loan Agreement, without Prepayment Fee or other Premium assessed against Mortgagor by reason of such payment or prepayment, or (y) to the repair, restoration and/or replacement of all or any part of the Mortgaged Property for which a loss or damage has occurred.

(h) Subject to Mortgagee's rights under Section 2.5(f), provided no Event of Default exists and the replacement, restoration or repair has been completed in accordance with this Mortgage, any Insurance Proceeds available to Mortgagor for replacement, restoration or repair, to the extent not used by Mortgagor in connection with, or to the extent they exceed the cost of such replacement, restoration or repair shall be paid to Mortgagor.

(i) Mortgagor appoints Mortgagee to act during the occurrence of an Event of Default as Mortgagor's attorney-in-fact, coupled with an interest, to cause the issuance of or an endorsement of any policy to bring Mortgagor into compliance herewith and, as limited above, at Mortgagee's sole option, to make any claim for, receive payment for, and execute and endorse any documents, checks or other instruments in payment for loss, theft, or damage covered under any such insurance policy; however, in no event will Mortgagee be liable for failure to collect any amounts payable under any insurance policy.

(j) Mortgagee shall be entitled at its option to participate in any compromise, adjustment or settlement in connection with any claims for casualty loss, damage or destruction under any policy or policies of insurance, in excess of Five Million Dollars (\$5,000,000.00), and Mortgagor shall within ten (10) Business Days after request therefor reimburse Mortgagee for all reasonable out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by Mortgagee in connection with such participation. Mortgagor shall not make any compromise, adjustment or settlement in connection with any such claim in excess of Five Million Dollars (\$5,000,000.00) without the prior written approval of Mortgagee.

(k) In the event of foreclosure of the lien of this Mortgage or other transfer of title or assignment of the Mortgaged Property in extinguishment, in whole or in part, of the Loan Obligations, all right, title and interest of Mortgagor in and to all policies of casualty insurance covering all or any part of the Mortgaged Property shall inure to the benefit of and pass to the successors in interest to Mortgagee or the purchaser or grantee of the Mortgaged Property or any part thereof.

(l) Mortgagor shall not obtain or maintain any policy of insurance with respect to Mortgagor, the Mortgaged Property or any part thereof which does not satisfy each of the requirements of this Section 2.5.

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Section 2.6. Impositions.

(a) Mortgagor shall pay or cause to be paid, before any fine, penalty, interest or cost attaches thereto, all of the Impositions, including, without limitation, any ground rents due under any ground lease agreements, if applicable, as well as all claims for labor, materials or supplies that, if unpaid, might by law become a lien on the Mortgaged Property, and shall submit to Mortgagee such evidence of the due and punctual payment of all such Impositions and claims as may be required by law; provided, however, that if by law any such Imposition may be paid in installments (whether or not interest shall accrue on the unpaid balance thereof), Mortgagor may pay the same in installments (together with accrued interest on the unpaid balance thereof) as the same respectively become due, before any fine, penalty, interest or cost attaches thereto.

(b) Notwithstanding the provisions of Section 2.6(a) to the contrary, Mortgagor or Manager, as applicable, at its expense may, after prior notice to Mortgagee, contest the amount or validity or application, in whole or in part, of any Imposition or Lien therefor or any claims of mechanics, materialmen, suppliers or vendors or liens thereof, and may withhold payment of the same pending such proceedings if permitted by law in accordance with Section 2.15 of the Loan Agreement.

Section 2.7. Maintenance of the Improvements and Equipment. Except as otherwise provided in the Loan Agreement and subject to the terms of the Management Agreement, Mortgagor shall not permit the Improvements or Equipment to be removed or demolished or otherwise altered (provided, however, Mortgagor may remove, demolish or alter such Improvements and Equipment that become obsolete in the usual conduct of Mortgagor's business and the removal or alteration of which do not materially detract from the operation of Mortgagor's business and Mortgagor promptly replaces the same with Improvements or Equipment, as applicable, of equivalent value and functionality); shall maintain the Mortgaged Property in good repair, working order and condition, except for reasonable wear and use; shall not commit or suffer any waste; shall not do or suffer to be done anything which would increase the risk of fire or other hazard to the Mortgaged Property or which would result in the cancellation of any insurance policy carried with respect to the Mortgaged Property; and shall restore and repair the Improvements and Equipment or any part thereof now or hereafter damaged or destroyed by any fire or other casualty or affected by any Taking; provided, however, that if the fire or other casualty is not insured against or insurable, Mortgagor shall so restore and repair even though no Insurance Proceeds are received.

Section 2.8. Intentionally Omitted.

Section 2.9. Limitations of Use. The Facility is and shall be used exclusively as set forth in Section 3.1(Q) of the Loan Agreement and uses reasonably ancillary thereto. Mortgagor shall not, without the prior written consent of Mortgagee (a) materially change the use of the Facility or (b) initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses that may be made of the Facility or any part thereof, except as may be necessary in connection with the uses permitted pursuant to the first sentence of this Section 2.9. Mortgagor shall comply in all material respects with the provisions of all Leases, licenses, agreements and private covenants, conditions and restrictions that at any time are applicable to the Facility.

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Section 2.10. Inspection of the Property. Mortgagor shall keep or cause to be kept records, accounts and books in accordance with GAAP and shall permit or cause Manager to permit Mortgagee and its authorized representatives to enter the Facility and inspect the Mortgaged Property and examine the records, accounts and books of Mortgagor with respect thereto and make copies or extracts thereof, at Mortgagee's cost and expense, all upon reasonable advance notice and at such reasonable times as may be requested by Mortgagee, subject, however, to the rights of the tenants or occupants of the Facility and the terms of the Management Agreement and the Loan Agreement. Notwithstanding the foregoing, during the occurrence of an Event of Default, Mortgagor shall pay any costs and expenses incurred by Mortgagee to examine Mortgagor's records, and accounts relating to the Mortgaged Property as Mortgagee shall determine to be necessary or appropriate in the protection of Mortgagee's interest.

Section 2.11. Actions to Protect Mortgaged Property. If Mortgagor shall fail to, or shall fail to cause to (a) effect the insurance required by Section 2.5, or (b) make the payments required by Section 2.5 Mortgagee may, without obligation to do so, and upon five (5) Business Days' notice to Mortgagor effect or pay the same (except that no such notice shall be required in an emergency (i.e., an unexpected event which threatens imminent physical harm to persons or property at the Facility) or if Mortgagee is not in receipt of evidence that the required insurance is in effect). If Mortgagor shall fail to perform or observe any of its other covenants or agreements hereunder, Mortgagee may, without obligation to do so, and upon thirty (30) days prior written notice to Mortgagor (except in an emergency (i.e., an unexpected event which threatens imminent physical harm to persons or property at the Facility)) effect the same. To the maximum extent permitted by law, all sums, including reasonable attorneys' fees and disbursements, so expended or expended to sustain the lien or estate of this Mortgage or its priority, or to protect or enforce any of the rights hereunder, or to recover any of the Loan Obligations, shall be a lien on the Mortgaged Property, shall be deemed to be added to the Loan Obligations secured hereby, and shall be paid by Mortgagor within ten days after demand therefor, together with interest thereon at the Default Rate.

Section 2.12. Condemnation.

(a) Subject to the terms of Section 2.12 (b) and (c), Mortgagee shall be entitled to receive and collect all Condemnation Proceeds, and all such compensation, awards, damages and other payments or relief, together with all rights and causes of action relating thereto or arising out of any Taking, are hereby assigned to Mortgagee. Mortgagor shall execute such further assignments of the Condemnation Proceeds as Mortgagee may from time to time require. Without limiting the generality of the foregoing, following the occurrence of any Taking involving the Mortgaged Property or any part thereof, Mortgagor shall give prompt notice thereof to Mortgagee and shall, subject to the terms of Section 2.12 (b) and (c), cause all Condemnation Proceeds payable as a result of such Taking to be paid to Mortgagee as additional collateral security hereunder subject to the lien of this Mortgage and applied in accordance with Section 2.12(b) below.

(b) In the event of a Taking where the Condemnation Proceeds are in excess of \$5,000,000.00, Mortgagor shall cause all the Condemnation Proceeds in respect of such Taking to be paid to Mortgagee which shall, except as provided in Section 2.12(c) below, apply

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such Condemnation Proceeds to reduce the Indebtedness in accordance with Section 2.7 and Section 2.8 of the Loan Agreement. All Condemnation Proceeds received in respect of a temporary Taking (other than those due Manager) shall be deposited and maintained in the Cash Collateral Account, to be applied by Mortgagee in the same manner as Rents (other than security deposits) received from Mortgagor with respect to the operation of the Facility; provided, however, that if the Condemnation Proceeds of such temporary Taking are paid in a lump sum in advance, Mortgagee shall hold such Condemnation Proceeds in a segregated interest-bearing escrow account at the Cash Collateral Account Bank, and Mortgagee shall estimate the number of months that the Facility will be affected by such temporary Taking, shall divide the aggregate Condemnation Proceeds in connection with such temporary Taking by such number of months, and shall disburse from such escrow account into the Collection Account each month during the pendency of such temporary Taking such monthly installment of Condemnation Proceeds. Any Condemnation Proceeds made available to Mortgagor for restoration or repair in accordance herewith, to the extent not used by Mortgagor in connection with, or to the extent they exceed the cost of, such restoration, shall be paid to Mortgagor.

(c) Notwithstanding anything to the contrary in Section 2.12 (a) and (b) above, Mortgagee agrees that Mortgagee shall make the Condemnation Proceeds (other than Condemnation Proceeds in respect of a temporary Taking, which shall be held and disbursed in accordance with Section 2.12(b) above.) available to Mortgagor for Mortgagor's repair, restoration or replacement of the Mortgaged Property affected by the Taking, if Mortgagor is required to restore or repair the Mortgaged Property pursuant to the terms of the Management Agreement or the REA or, to the extent Mortgagor is not required to restore or repair the Facility pursuant to the terms of the Management Agreement or the REA, provided that the following conditions have been satisfied:

(i) That portion remaining after the Taking is still economically viable in the reasonable opinion of Mortgagee;

(ii) There does not then exist an Event of Default;

(iii) Mortgagor can demonstrate to Mortgagee's satisfaction that Mortgagor has the financial ability to make all scheduled payments when due under the Loan Documents during reconstruction, from the proceeds of business interruption insurance, operation of the Facility, Mortgagor's own funds or otherwise (and if such repair or restoration cannot be completed prior to the expiration of business interruption insurance, Mortgagor shall deposit with Mortgagee funds sufficient for the payment of same, which funds shall be held and disbursed in the same manner as any lump sum of business interruption insurance pursuant to Section 2.5(e));

(iv) Such damage or destruction can be repaired on or prior to the earlier of (A) six (6) months prior to the Maturity Date (and Mortgagor shall have the right to extend the Maturity Date in accordance with the provision of Section 2.14 of the Loan Agreement in order to satisfy such requirement), (B) the date required pursuant to the Management Agreement and (C) the date required pursuant to the REA;

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(v) Projected Rents after completion of the restoration, as reasonably determined by Mortgagee, provide a Debt Service Coverage Ratio of not less than 1.50 to 1.0;

(vi) The repairs and restoration will restore the Improvements to substantially the same size, design and utility as existed immediately prior to the Taking;

(vii) Mortgagor can demonstrate to Mortgagee's reasonable satisfaction that Mortgagor has the financial ability to complete repair and restoration, from the Condemnation Proceeds, and/or from Mortgagor's own funds;

(viii) Within ninety (90) days from the date of such Taking, Mortgagor shall have given Mortgagee a written notice electing to have the Condemnation Proceeds applied for such repair, restoration or replacement of the Improvements, Equipment or Inventory, as applicable;

(ix) Prior to any Condemnation Proceeds being disbursed to Mortgagor, Mortgagor shall have provided to Mortgagee all of the following:

(1) if loss or damage exceeds Five Hundred Thousand Dollars (\$500,000.00), complete plans and specifications for restoration, repair and replacement of the Improvements, Equipment and Inventory,

(2) if loss or damage exceeds One Million Dollars (\$1,000,000.00), fixed-price or guaranteed maximum cost construction contracts for completion of the repair, restoration and replacement work in accordance with the aforementioned plans and specifications,

(3) such additional funds (if any) as in Mortgagee's reasonable opinion are necessary to complete the repair, restoration and replacement, and

(4) if loss or damage exceeds Five Hundred Thousand Dollars (\$500,000.00), copies of all permits and licenses (if any) necessary to complete the work in accordance with the plans and specifications and applicable law;

(x) If loss or damage exceeds Five Hundred Thousand Dollars (\$500,000.00), Mortgagee may, at Mortgagor's expense, retain an independent inspector reasonably acceptable to Mortgagor to review and approve plans and specifications and completed construction and to approve all requests for disbursement, which approvals shall be conditions precedent to release of the Condemnation Proceeds as work progresses;

(xi) If loss or damage exceeds Five Hundred Thousand Dollars (\$500,000.00), each disbursement by Mortgagee of such Condemnation Proceeds shall be funded subject to conditions and in accordance with disbursement procedures which a commercial construction lender would typically establish in the exercise of sound banking practices and shall be made only upon receipt of

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disbursement requests on an AIA G702/703 form (or similar form reasonably approved by Mortgagee) signed and certified by Mortgagor and its architect and general contractor with appropriate invoices, lien waivers and any other documents, instruments and items as may be required by Mortgagee in Mortgagee's discretion;

(xii) Mortgagor shall commence such work within one hundred twenty (120) days after such Taking and shall diligently pursue such work to completion; and

(xiii) Mortgagee shall have a first lien and security interest in all building materials and completed repair and restoration work and in all fixtures and equipment acquired with such Condemnation Proceeds, and Mortgagor shall execute and deliver such mortgages, deeds of trust, security agreements, financing statements and other instruments as Mortgagee shall reasonably request to create, evidence or perfect such lien and security interest.

(d) If and to the extent such Condemnation Proceeds are not required to be made available to Mortgagor in accordance with Section 2.12 (b) and (c) to be used for the repair, restoration and replacement of the Mortgaged Property affected by the Taking or if Mortgagor fails to timely make such election or having made such election fails to timely comply with or is otherwise unable to satisfy the terms and conditions set forth herein, upon five (5) Business Days prior notice to Mortgagor, Mortgagee shall be entitled, without Mortgagor's consent, to apply such Condemnation Proceeds, or the balance thereof, at Mortgagee's option either (x) to the full or partial payment or prepayment of the Loan Obligations in accordance with Section 2.7 of the Loan Agreement, or (y) to the repair, restoration and/or replacement of all or any part of such Improvements, Equipment and Inventory affected by the Taking.

(e) Subject to Mortgagee's rights under Section 2.12(d), provided no Event of Default exists and the replacement, restoration or repair has been completed in accordance with this Mortgage, any Condemnation Proceeds, available to Mortgagor for replacement, restoration or repair, to the extent not used by Mortgagor in connection with, or to the extent they exceed the cost of, such replacement, restoration or repair, shall be paid to Mortgagor.

(f) Mortgagee shall be entitled at its option to participate in any compromise, adjustment or settlement in connection with any Taking involving an amount in controversy in excess of One Million Dollars (\$1,000,000.00), and Mortgagor shall within ten (10) Business Days after request therefor reimburse Mortgagee for all reasonable out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by Mortgagee in connection with such participation. Mortgagor shall not make any compromise, adjustment or settlement in connection with any such claim in excess of One Million Dollars (\$1,000,000.00) without the prior written approval of Mortgagee.

Section 2.13. Leases; Management Agreements; Agreements Affecting Real Estate.

(a) Mortgagor shall timely perform all of its obligations under the terms and conditions of any Leases and shall not accept rent therefor in advance for a period of more than

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one (1) month other than in the nature of a security deposit. Mortgagor represents that there are no Leases or agreements to lease all or any part of the Mortgaged Property now in effect except those specifically assigned to Mortgagee by the Assignment of Leases. There is no assignment or pledge of any Rents now in effect, except pursuant to the Assignment of Leases. Mortgagor shall not make any assignment or pledge thereof to anyone other than Mortgagee until the Loan Obligations are paid in full.

(b) Subsequent to the date hereof, Mortgagor shall not enter into any Lease (nor modify, amend, extend or renew any existing Lease) without the prior written consent of Mortgagee; provided, however, Mortgagee's consent shall not be required with respect to Leases for retail space in the Improvements entered into by Mortgagor (or Operating Lessee on behalf of Mortgagor) in the ordinary course of business, subject to Mortgagee's satisfaction of the following conditions:

(i) there shall exist no Event of Default;

(ii) each such Lease by its terms shall provide that it is subordinate to this Mortgage; and

(iii) Mortgagor shall promptly deliver to Mortgagee a fully executed copy of each new Lease entered into pursuant this section.

(c) Mortgagor shall not create, or permit the Mortgaged Property or any part thereof to become subject to, any easement, license or restrictive covenant, other than a Permitted Encumbrance.

Section 2.14. Mortgagee Reliance. Mortgagor acknowledges that Mortgagee has examined and relied on the experience of Mortgagor and its partners, shareholders and members (including, without limitation, the direct and indirect legal and beneficial owners of Mortgagor), in owning and operating properties such as the Facility in agreeing to make the Loan, and will continue to rely on Mortgagor and such experience of such persons. Mortgagor acknowledges that Mortgagee has a valid interest in maintaining the value of the Facility so as to insure that, should Mortgagor allow a Transfer to occur except as expressly permitted by the Loan Agreement, Mortgagee may exercise all of its rights hereunder.

Section 2.15. No Transfer. Mortgagor shall not and shall not cause, allow or permit, and shall prevent from occurring, any Transfer, except as expressly permitted under the Loan Agreement.

ARTICLE 3

ASSIGNMENT OF RENTS, ISSUES AND PROFITS

Section 3.1. Assignment of Rents, Issues and Profits. Mortgagor does hereby absolutely and unconditionally assign to Mortgagee all of Mortgagor's right, title and interest in all current and future Leases and Rents (subject to the rights of the Manager thereto pursuant to the Management Agreement), it being intended by Mortgagor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless,

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subject to the terms of Section 2 of the Assignment of Leases, Mortgagee grants to Mortgagor a revocable license to operate and manage the Mortgaged Property and to collect and use the Rents.

ARTICLE 4

SECURITY AGREEMENT

Section 4.1. Security Agreement. This Mortgage creates a Lien on and a security interest in the Security Interest Property, and shall constitute a security agreement and “fixture filing” under the UCC or other law applicable to the creation of liens on and security interests in personal property and fixtures. As further security for the payment and performance of the Loan Obligations, this Mortgage shall constitute a financing statement under the UCC with Mortgagor as the “debtor” and Mortgagee as the “secured party”. To the extent permitted by law, Mortgagor hereby authorizes Mortgagee to file financing and continuation statements necessary to continue the lien of and security interest evidenced by this Mortgage with respect to the Security Interest Property without the signature of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee as attorney-in-fact (which appointment shall be deemed coupled with an interest) for the purposes of executing and filing such financing and continuation statements.

Section 4.2. Rights Upon Default. If an Event of Default exists, Mortgagee, in addition to the rights and remedies granted to Mortgagee by applicable Legal Requirements and this Mortgage, shall have all rights and remedies of a secured party under the UCC. Any notice of sale, disposition or other intended action by Mortgagee with respect to Mortgagee’s rights under the UCC sent to Mortgagor in accordance with the notice provision hereof at least ten (10) days prior to such action shall constitute commercially reasonable notice to Mortgagor. The proceeds of any such sale or disposition, or any part thereof, may be applied by Mortgagee to the payment of the Loan Obligations in accordance with Section 2.7 of the Loan Agreement.

Section 4.3. Warranties, Representations and Covenants. Except as otherwise provided in the Loan Agreement or the Management Agreement, Mortgagor hereby warrants, represents and covenants that: (a) the Equipment and Inventory will be kept on or at the Facility and Mortgagor will not remove any Equipment or Inventory from the Facility, except such portions or items of the Equipment or Inventory that are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor with Equipment or Inventory, as applicable, of equivalent value and functionality, except as otherwise expressly provided in Section 2.7 with respect to Equipment and (b) all covenants and obligations of Mortgagor contained herein relating to the Mortgaged Property shall be deemed to apply to the Equipment and Inventory whether or not expressly referred to herein. Information relative to the security interest created hereby may be obtained by application to Mortgagee (secured party). The mailing addresses of Mortgagor and Mortgagee are set forth on Page 1.

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ARTICLE 5

EVENTS OF DEFAULT; REMEDIES

Section 5.1. Events of Default. The term “Event of Default” wherever used in this Mortgage, shall mean an “Event of Default” as defined in the Loan Agreement.

Section 5.2. Acceleration of Maturity. If an Event of Default exists, then the entire principal amount of the indebtedness secured hereby with interest accrued thereon and all other Loan Obligations shall, at the option of Mortgagee, become due and payable without notice or demand, time being of the essence; and any omission on the part of Mortgagee to exercise such option when entitled to do so shall not be considered as a waiver of such right. Mortgagor hereby expressly waives presentment, demand for payment, notice of protest, notice of dishonor, notice of intent to accelerate the maturity of the indebtedness secured hereby and notice of acceleration of the maturity of the indebtedness secured hereby. Notwithstanding anything contained to the contrary herein, the outstanding principal amount, unpaid interest, Default Rate interest, Late Charges, Prepayment Fee and any other amounts owing by Mortgagor with respect to the Loan shall be accelerated and immediately due and payable, without any election by Mortgagee, upon the occurrence of an Event of Default described in Section 7.1 of the Loan Agreement.

Section 5.3. Default Remedies.

(a) If an Event of Default shall have occurred and be continuing, this Mortgage may, to the maximum extent permitted by law, be enforced, and Mortgagee may exercise any right, power or remedy of Mortgagee hereunder, under the Loan Agreement or under any of the other Loan Documents or at law or in equity, and, without limiting the generality of the foregoing, Mortgagee may, personally or by its agents, to the maximum extent permitted by law:

(i) enter into and take possession of the Mortgaged Property or any part thereof, exclude Mortgagor and all Persons claiming under Mortgagor whose claims are junior to this Mortgage, wholly or partly therefrom, and use, operate, manage and control the Mortgaged Property or any part thereof either in the name of Mortgagor or otherwise as Mortgagee shall deem best, and upon such entry, from time to time at the expense of Mortgagor and the Mortgaged Property, make all such repairs, replacements, alterations, additions or improvements to the Facility or any part thereof as Mortgagee may deem proper and, whether or not Mortgagee has so entered and taken possession of the Mortgaged Property or any part thereof, collect and receive all Rents and apply the same to the payment of all expenses that Mortgagee may be authorized to make under this Mortgage, the remainder to be applied to the payment of the Loan Obligations until the same shall have been repaid in full; if Mortgagee demands or attempts to take possession of the Mortgaged Property or any part thereof in the exercise of any rights hereunder, Mortgagor shall promptly turn over and deliver complete possession thereof to Mortgagee; and

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(ii) personally or by agents, with or without entry:

(x) invoke the power of sale and pursuant to the procedures prescribed by law as a result thereof, sell the Mortgaged Property or any part thereof, or cause the Mortgaged Property or any part thereof to be sold at a sale or sales held at such place or places and time or times and upon such notice and otherwise in such manner and in such order as may be required by law, or, in the absence of any such requirements, as Mortgagee may deem appropriate and from time to time adjourn any such sale by announcement at the time and place specified for such sale or for such adjourned sale without further notice, except such as may be required by law;

(y) proceed to protect and enforce Mortgagee's rights under this Mortgage, by suit for specific performance of any covenant contained herein or in the Loan Documents or in aid of the execution of any power granted herein or in the Loan Documents, or for the foreclosure of this Mortgage (as a mortgage or otherwise) and the sale of the Mortgaged Property or any part thereof under the judgment or decree of a court of competent jurisdiction, or for the enforcement of any other right as Mortgagee shall elect, provided, that in the event of a sale, by foreclosure or otherwise, of less than all of the Mortgaged Property, this Mortgage shall continue as a lien on, and security interest in, the remaining portion of the Mortgaged Property; or

(z) exercise any or all of the remedies available to a secured party under the UCC, including, without limitation:

(1) either personally or by means of a court appointed receiver, take possession of all or any of the Security Interest Property and exclude therefrom Mortgagor and all Persons claiming under Mortgagor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Mortgagor in respect of the Security Interest Property, or any part thereof; if Mortgagee demands or attempts to take possession of the Security Interest Property in the exercise of any rights hereunder, Mortgagor shall promptly turn over and deliver complete possession thereof to Mortgagee;

(2) without further notice to or demand upon Mortgagor (except those otherwise required hereby or by the Loan Agreement), make such payments and do such acts as Mortgagee may deem necessary to protect its security interest in the Security Interest Property, including, without limitation, paying, purchasing, contesting or compromising any encumbrance that is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority paying all expenses incurred in connection therewith, which expenses shall thereafter become part of the Loan Obligations secured by the lien of this Mortgage;

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(3) require Mortgagor to assemble the Security Interest Property or any portion thereof, at a place designated by Mortgagee and reasonably convenient to both parties, and promptly to deliver the Security Interest Property to Mortgagee, or an agent or representative designated by Mortgagee, and its agents and representatives, shall have the right to enter upon the premises and property of Mortgagor to exercise Mortgagee's rights hereunder;

(4) sell, lease or otherwise dispose of the Security Interest Property, with or without having the Security Interest Property at the place of sale, and upon such terms and in such manner as Mortgagee may determine (and Mortgagee may be a purchaser at any such sale, provided, however, that Mortgagee may dispose of the Security Interest Property in accordance with Mortgagee's rights and remedies in respect of the Mortgaged Property pursuant to the provisions of this Mortgage in lieu of proceeding under the UCC; and

(5) unless the Security Interest Property is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market Mortgagee, as the case may be, shall give Mortgagor at least ten (10) days prior notice of the time and place of any sale of the Security Interest Property or other in ended disposition thereof, which notice Mortgagor agrees is commercially reasonable.

(b) If an Event of Default exists, Mortgagee, to the maximum extent permitted by law, shall be entitled, as a matter of right, to the appointment of a receiver of the Mortgaged Property, without notice or demand, and without regard to the adequacy of the security for the Loan Obligations or the solvency of Mortgagor. Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Mortgagee in case of entry and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Property, unless such receivership is sooner terminated.

(c) In any sale under any provision of this Mortgage or pursuant to any judgment or decree of court, the Mortgaged Property, to the maximum extent permitted by law, may be sold in one or more parcels or as an entirety and in such order as Mortgagee may elect, without regard to the right of Mortgagor or any Person claiming under Mortgagor to the marshalling of assets. The purchaser at any such sale shall take title to the Mortgaged Property or the part thereof so sold free and discharged of the estate of Mortgagor therein, the purchaser being hereby discharged from all liability to see to the application of the purchase money. Upon the completion of any such sale by virtue of this Section 5.3(c) Mortgagee shall execute and deliver to the purchaser an appropriate instrument that shall effectively transfer all of Mortgagor's estate, right, title, interest, property, claim and demand in and to the Mortgaged Property or portion thereof so sold, but without any covenant or warranty, express or implied. Mortgagee is hereby irrevocably appointed the attorney-in-fact of Mortgagor, coupled with an interest, in its name and stead to make all appropriate transfers and deliveries of the Mortgaged Property or any portions thereof so sold and, for that purpose, Mortgagee may execute all appropriate documents, instruments and agreements of transfer, and may substitute one or more

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Persons with like power, Mortgagor hereby ratifying and confirming all that said attorneys or such substitutes shall lawfully do by virtue hereof. Nevertheless, Mortgagor shall ratify and confirm, or cause to be ratified and confirmed, any such sale or sales by executing and delivering, or by causing to be executed and delivered to Mortgagee or to such purchaser or purchases all such instruments as may be advisable, in the judgment of Mortgagee, for such purpose, and as may be designated in such request. Any sale or sales made under or by virtue of this Mortgage, to the extent not prohibited by law, shall operate to divest all the estate, right, title, interest, property, claim and demand whatsoever, whether at law or in equity, of Mortgagor in, to and under the Mortgaged Property, or any portions thereof so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and against any and all Persons claiming or who may claim the same, or any part thereof, by, through or under Mortgagor. The powers and agency herein granted are coupled with an interest and are irrevocable.

(d) All rights of action under the Loan Documents and this Mortgage may be enforced by Mortgagee without the possession of the original Loan Documents and without the production thereof at any trial or other proceeding relative thereto.

Section 5.4. Application of Proceeds.

(a) If no Event of Default exists, any amounts received or collected by Mortgagee under this Mortgage shall be applied in accordance with the Loan Agreement. If an Event of Default exists, any amounts received or collected by Mortgagee under this Mortgage or any other Loan Document may be applied to any one or more of the following in such order and in such amounts as Mortgagee may elect in its discretion:

(i) To the payment of all costs, expenses and advances incurred by Mortgagee, or made by Mortgagee, in the enforcement of this Mortgage or any of the other Loan Documents, the protection of the lien and security afforded thereby, and the preservation of the Mortgaged Property, including, without limitation, all expenses of managing the Facility, including, without limitation, the salaries, fees and wages of any third-party managing agent and such other employees as Mortgagee may deem necessary and all expenses of operating and maintaining the Facility, including, without limitation, all taxes, charges, claims, assessments, water rents, sewer rents and any other liens, and premiums for all insurance which are due and payable and the cost of all alterations, renovations, repairs or replacements, and all costs and expenses incident to taking and retaining possession of the Facility and the enforcement of any of Mortgagee's rights and remedies hereunder; and

(ii) To the payment of the Loan Obligations in accordance with the Loan Agreement, this Mortgage and the other Loan Documents.

(b) No sale or other disposition of all or any part of the Mortgaged Property pursuant to Section 5.3 shall be deemed to relieve Mortgagor of the Loan Obligations except to the extent the proceeds thereof are applied to the payment of such Loan Obligations. If the proceeds of sale, collection or other realization of or upon the Mortgaged Property are insufficient to cover the costs and expenses of such realization and the payment in full of the

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Loan Obligations, Mortgagor shall remain liable for any deficiency subject to Section 6.14 hereof.

(c) Upon any sale made under the powers of sale herein granted and conferred, the receipt given by Mortgagee will be sufficient discharge to the purchaser or purchasers at any sale for the purchase money, and such purchaser or purchasers and their heirs, devisees, personal representatives, successors and assigns thereof will not, after paying such purchase money and receiving such receipt of Mortgagee, be obligated to see to the application thereof or be in any way answerable for any loss, misapplication or non-application thereof.

Section 5.5. Right to Sue. Mortgagee shall have the right from time to time to sue for any sums required to be paid by Mortgagor under the terms of this Mortgage as the same become due, without regard to whether or not the entire Loan Obligations shall be, or have become, due and without prejudice to the right of Mortgagee thereafter to bring any action or proceeding of foreclosure or any other action upon the occurrence of any Event of Default existing at the time such earlier action was commenced.

Section 5.6. Powers of Mortgagee. Mortgagee may at any time or from time to time renew or extend this Mortgage or (with the agreement of Mortgagor) alter or modify the same in any way, or waive any of the terms, covenants or conditions hereof or thereof, in whole or in part, and may release or reconvey any portion of the Mortgaged Property or any other security, and grant such extensions and indulgences in relation to the Loan Obligations, or release any Person liable therefor as Mortgagee may determine without the consent of any junior lienor or encumbrancer, without any obligation to give notice of any kind thereto, without in any manner affecting the priority of the lien and estate of this Mortgage on or in any part of the Mortgaged Property, and without affecting the liability of any other Person liable for any of the Loan Obligations.

Section 5.7. Remedies Cumulative.

(a) No right or remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy under this Mortgage, or under applicable law, whether now or hereafter existing; the failure of Mortgagee to insist at any time upon the strict observance or performance of any of the provisions of this Mortgage or to exercise any right or remedy provided for herein or under applicable law, shall not impair any such right or remedy nor be construed as a waiver or relinquishment thereof.

(b) To the fullest extent permitted by applicable law, Mortgagee shall each be entitled to enforce payment and performance of any of the obligations of Mortgagor and to exercise all rights and powers under this Mortgage or under any Loan Document or any laws now or hereafter in force, notwithstanding that some or all of the Loan Obligations may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise; neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being stipulated that Mortgagee shall be entitled to enforce this Mortgage

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and any other security now or hereafter held by Mortgagee in such order and manner as Mortgagee, in its discretion, may determine; every power or remedy given by the Loan Agreement, this Mortgage or any of the other Loan Documents to Mortgagee, or to which Mortgagee is otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee, and Mortgagee may pursue inconsistent remedies.

Section 5.8. Waiver of Stay, Extension, Moratorium Laws; Equity of Redemption. To the maximum extent permitted by law, Mortgagor shall not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any applicable present or future stay, extension or moratorium law, that may affect observance or performance of the provisions of this Mortgage; nor claim, take or insist upon any benefit or advantage of any present or future law providing for the valuation or appraisal of the Mortgaged Property or any portion thereof prior to any sale or sales thereof that may be made under or by virtue of Section 5.3; and Mortgagor, to the extent that it lawfully may, hereby waives all benefit or advantage of any such law or laws. Mortgagor, for itself and all who may claim under it, hereby waives, to the maximum extent permitted by applicable law, any and all rights and equities of redemption from sale under the power of sale created hereunder or from sale under any foreclosure of this Mortgage and (if an Event of Default shall have occurred) all notice or notices of seizure, and all right to have the Mortgaged Property marshalled upon any foreclosure hereof. Mortgagee shall not be obligated to pursue or exhaust its rights or remedies as against any other part of the Mortgaged Property and Mortgagor hereby waives any right or claim of right to have Mortgagee proceed in any particular order.

Section 5.9. Waiver of Homestead. Mortgagor hereby waives and renounces all homestead and exemption rights provided for by the Constitution and the laws of the United States and of any state, in and to the Mortgaged Property as against the collection of the Loan Obligations, or any part thereof.

Section 5.10. Discontinuance of Proceedings. If Mortgagee shall have proceeded to enforce any right, power or remedy under this Mortgage by foreclosure, power of sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Mortgagee, then in every such case, Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceedings had occurred.

ARTICLE 6

MISCELLANEOUS

Section 6.1. Reconveyance by Mortgagee. Upon payment in full of the Loan Obligations or a complete defeasance with respect to the Mortgaged Property which complies with the Loan Agreement (if the Loan Agreement provides for defeasance), Mortgagee shall release the lien of this Mortgage and reassign to Mortgagor all right, title and interest in the Leases and Rents, or upon the request of Mortgagor, and at Mortgagor's reasonable expense, assign this Mortgage and the Note without recourse to Mortgagor's designee, or to the Person or Persons legally entitled thereto, by an instrument duly acknowledged in form for recording.

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Section 6.2. Mortgagee's Discretion. Whenever pursuant to this Mortgage, Mortgagee exercises any right, option or election given to Mortgagee to approve or disapprove, or to consent to or withhold consent, or any arrangement or term is to be satisfactory to Mortgagee or is to be in Mortgagee's discretion, the decision of Mortgagee to approve or disapprove, consent or withhold consent, or to decide whether arrangements or terms are satisfactory or not satisfactory, or acceptable or not acceptable to Mortgagee in Mortgagee's discretion, shall (except as is otherwise specifically herein provided) be in the sole and absolute discretion of Mortgagee.

Section 6.3. Notices. All notices, demands, consents, requests or other communications that are permitted or required to be given by any party to the other hereunder shall be in writing and given in the manner specified in Section 8.6 of the Loan Agreement.

Section 6.4. Amendments; Waivers; etc. This Mortgage cannot be modified, changed or discharged except by an agreement in writing, duly acknowledged in form for recording, signed by Mortgagor and Mortgagee.

Section 6.5. Successors and Assigns. This Mortgage applies to, inures to the benefit of and binds Mortgagor, Mortgagee and their respective successors and assigns, and shall run with the Land.

Section 6.6. Captions. The captions or headings at the beginning of each Article and Section hereof are for the convenience of the parties hereto and are not a part of this Mortgage.

Section 6.7. Severability. If any term or provision of this Mortgage or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Mortgage, or the application of such term or provision to Persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Mortgage shall be valid and enforceable to the maximum extent permitted by law. If any portion of the Loan Obligations shall for any reason not be secured by a valid and enforceable lien upon any part of the mortgaged Property, then any payments made in respect of the Loan Obligations (whether voluntary or under foreclosure or other enforcement action or procedure or otherwise) shall, for purposes of this Mortgage (except to the extent otherwise required by applicable law) be deemed to be made (a) first, in respect of the portion of the Loan Obligations not secured by the lien of this Mortgage, (b) second, in respect of the portion of the Loan Obligations secured by the lien of this Mortgage but which lien is on less than all of the Mortgaged Property, and (c) last, to the portion of the Loan Obligations secured by the lien of this Mortgage, and which lien is on all of the Mortgaged Property.

Section 6.8. Indemnity; Expenses. Mortgagor will pay or reimburse Mortgagee for all reasonable attorneys' fees, costs and expenses incurred by Mortgagee in any suit, action, legal proceeding or dispute of any kind in which Mortgagee is made a party or appears as party plaintiff or defendant, affecting the Loan Obligations, this Mortgage or the interest created herein, or the Mortgaged Property, or any appeal thereof, including, without limitation, activities related to enforcement of the remedies of Mortgagee, activities related to protection of Mortgagee's collateral, any foreclosure action or exercise of the power of sale, any action

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commenced under Section 5.3(a)(ii), any condemnation action involving the Mortgaged Property or any action to protect the security hereof, any bankruptcy or other insolvency proceeding commenced by or against Mortgagor, or any lessee of the Mortgaged Property (or any part thereof), and any such amounts paid or incurred by Mortgagee shall be added to the Loan Obligations and shall be secured by this Mortgage. Mortgagor will indemnify, defend and hold Mortgagee harmless from and against all claims, damages, and expenses, including reasonable attorneys' fees and court costs, resulting from any action by a third party against Mortgagee relating to this Mortgage or the interest created herein, or the Mortgaged Property, including, without limitation, any action or proceeding claiming loss, damage or injury to person or property, or any action or proceeding claiming a violation of or liability under any Legal Requirements, including applicable Environmental Laws, provided Mortgagor shall not be required to indemnify Mortgagee for matters to the extent caused by Mortgagee's gross negligence, willful misconduct or fraud. Mortgagor acknowledges that it has undertaken the obligation to pay all intangibles taxes and documentary taxes now or hereafter due in connection with the Loan Obligations and the Loan Documents, and Mortgagor agrees to indemnify and hold Mortgagee harmless from any intangibles taxes and documentary stamp taxes, and any interest or penalties, which Mortgagee may hereafter be required to pay in connection with the Loan Obligations or Loan Documents. The agreements of this Section 6.8 shall expressly survive, in perpetuity, satisfaction of this Mortgage and repayment of the Loan Obligations, any release, reconveyance, discharge or foreclosure of this Mortgage, conveyance by deed in lieu of foreclosure, sale, and any subsequent transfer by Mortgagee's conveyance of the Mortgaged Property. The indemnification by Mortgagor of Mortgagee does not and shall not be deemed to limit or modify Mortgagor's insurance or other obligations under the Loan Documents and, Mortgagor's compliance with the insurance requirements under the Loan Documents shall not limit or modify Mortgagor's indemnification obligations under the Loan Documents. Mortgagor's duty to defend is independent of Mortgagor's duty to indemnify, and shall be applicable regardless of Mortgagor's independent liability for such claims, claims based on Mortgagee's strict liability or liability without fault, or Mortgagee's lack of detriment or payment of claims. At any stage in the claim or suit against Mortgagee, Mortgagee is entitled to obtain summary adjudication regarding Mortgagor's duty to defend.

Section 6.9. Estoppel Certificates. Mortgagor and Mortgagee each hereby agree at any time and from time to time upon not less than fifteen (15) days prior written notice from the other party to execute, acknowledge and deliver to the party specified in such notice, a statement, in writing, certifying that this Mortgage is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications hereto), and stating whether or not, to the best knowledge of such certifying party, any Default or Event of Default has occurred, and, if so, specifying each such Default or Event of Default.

Section 6.10. GOVERNING LAW. (A) THIS MORTGAGE WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY MORTGAGOR AND ACCEPTED BY MORTGAGEE IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE SECURED HEREBY WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE

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FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS MORTGAGE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS WITH RESPECT TO THE FACILITY SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE FACILITY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, MORTGAGOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS, AND THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(B) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST MORTGAGEE OR MORTGAGOR ARISING OUT OF OR RELATING TO THIS MORTGAGE MAY AT MORTGAGEE'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND MORTGAGOR WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND MORTGAGOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING.

Section 6.11. Limitation of Interest. It is the intention of Mortgagor and Mortgagee to conform strictly to applicable usury laws. Accordingly, if the transactions contemplated hereby would be usurious under applicable law, then, in that event, notwithstanding anything to the contrary in any Loan Document, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under applicable law that is taken, reserved, contracted for, charged or received under any Loan Document or otherwise in connection with the Loan shall under no circumstances exceed the maximum amount of interest allowed by applicable law, and any excess shall be credited to principal by Mortgagee (or if the Loan shall have been paid in full, refunded to Mortgagor); and (ii) in the event that maturity of the Loan is accelerated by reason of an election by Mortgagee resulting from an Event of Default hereunder or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the maximum amount of interest allowed by applicable law, and any interest in excess of the maximum amount of interest allowed by applicable law, if any,

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provided for in the Loan Documents or otherwise shall be cancelled automatically as of the date of such acceleration or prepayment and, if theretofore prepaid, shall be credited to principal (or if the principal portion of the Loan and any other amounts not constituting interest shall have been paid in full, refunded to Mortgagor).

In determining whether or not the interest paid or payable under any specific contingency exceeds the maximum amount allowed by applicable law, Mortgagee shall, to the maximum extent permitted under applicable law (a) exclude voluntary prepayments and the effects thereof, and (b) amortize, prorate, allocate and spread, in equal parts, the total amount of interest throughout the entire contemplated term of the Loan so that the interest rate is uniform throughout the entire term of the Loan; provided, that if the Loan is paid and performed in full prior to the end of the full contemplated term hereof, and if the interest received for the actual period of existence thereof exceeds the maximum amount allowed by applicable law, Mortgagee shall refund to Mortgagor the amount of such excess, and in such event, Mortgagee shall not be subject to any penalties provided by any laws for contracting for, charging or receiving interest in excess of the maximum amount allowed by applicable law.

Section 6.12. Assignment. Mortgagee shall have the right to assign this Mortgage and the obligations hereunder to any Person in accordance with the Loan Agreement. The parties hereto acknowledge that following the execution and delivery of this Mortgage, Mortgagee may sell, transfer and assign this Mortgage and all or any of the other Loan Documents to the trustee or servicer in connection with a Securitization. All references to "Mortgagee" hereunder shall be deemed to include the assigns of Mortgagee including the trustee or servicer in any Securitization.

Section 6.13. Time of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Mortgagor under this Mortgage, the Note and all other Loan Documents.

Section 6.14. WAIVER OF JURY TRIAL. MORTGAGOR AND MORTGAGEE HEREBY WAIVE ANY RIGHT THAT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING OUT OF OR IN ANY WAY RELATED TO THIS MORTGAGE OR THE LOAN, OR (B) IN ANY WAY CONNECTED WITH OR PERTAINING OR RELATED TO OR INCIDENTAL TO ANY DEALINGS OF MORTGAGOR AND/OR MORTGAGEE WITH RESPECT TO THE LOAN DOCUMENTS OR IN CONNECTION WITH THIS MORTGAGE OR THE EXERCISE OF ANY PARTY'S RIGHTS AND REMEDIES UNDER THIS MORTGAGE OR OTHERWISE, OR THE CONDUCT OR THE RELATIONSHIP OF THE PARTIES HERETO, IN ALL OF THE FOREGOING CASES WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH OF MORTGAGOR AND MORTGAGEE AGREE THAT THE OTHER MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY, AND BARGAINED AGREEMENT OF MORTGAGOR AND MORTGAGEE IRREVOCABLY TO WAIVE ITS RIGHTS TO TRIAL BY JURY AS AN INDUCEMENT OF MORTGAGEE TO MAKE THE LOAN, AND THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY DISPUTE OR CONTROVERSY WHATSOEVER (WHETHER OR NOT MODIFIED

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HEREIN) BETWEEN MORTGAGOR AND MORTGAGEE SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

Section 6.15. Exculpation. This Mortgage and the obligations of Mortgagor hereunder are and shall be subject to and limited by the provisions of Section 8.14 of the Loan Agreement.

Section 6.16. Exhibits. The information set forth on the cover, heading and recitals hereof, and the Exhibits attached hereto, are hereby incorporated herein as a part of this Mortgage with the same effect as if set forth in the body hereof.

ARTICLE 7

ILLINOIS PROVISIONS

Section 7.1. Principles Of Construction. In the event of any inconsistencies between the other terms and provisions of this Mortgage and this Article 7, the terms and provisions of this Article 7 shall govern and control.

Section 7.2. Fixture Filing. The following legend is hereby added to the first page hereof:

“THIS INSTRUMENT IS EFFECTIVE AND SHALL REMAIN EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING WITH RESPECT TO ALL GOODS WHICH ARE OR ARE TO BECOME FIXTURES ON THE REAL ESTATE HEREIN DESCRIBED AND IS TO BE FILED FOR RECORD OR REGISTERED IN THE REAL ESTATE RECORDS OF COOK COUNTY, ILLINOIS. THE MAILING ADDRESS OF MORTGAGEE AND THE ADDRESS OF MORTGAGOR ARE SET FORTH WITHIN. A PHOTOGRAPHIC OR OTHER REPRODUCTION OF THIS INSTRUMENT OR ANY FINANCING STATEMENT RELATING TO THIS INSTRUMENT SHALL BE SUFFICIENT AS A FINANCING STATEMENT.”

Section 7.3. Maturity Date. In the first “WHEREAS” provision on page 1 hereof, the following is hereby inserted after the words “(such note, as modified and supplemented and in effect from time to time, the “Note”)”:

“which Note provides, among other things, for final payment of principal and interest under the Note, if not sooner paid or payable as provided therein, to be due on April 2, 2009;

Section 7.4. Business Loan. Mortgagor represents and warrants that the amounts secured by this Mortgage will be used for the purposes specified in Paragraph 815 I.L.C.S. 205/4(1)(c), and that the Loan Obligations secured hereby constitutes a “business loan” within the purview of said paragraph and that Loan is “a loan secured by a mortgage on real estate” within the purview and operation of Section 815 I.L.C.S 205./4(1)(l).

Section 7.5. Maximum Principal Indebtedness. This Mortgage is given to secure not only existing indebtedness, but also future advances resulting from any act or omission of

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Mortgagor, whether such advances are obligatory or are to be made at the option of Mortgagee, or otherwise, and whether such advances are made before, during or after the pendency of any proceedings to foreclose the lien of this Mortgage or otherwise enforce the rights of Mortgagee hereunder, as are made within twenty (20) years from the date of this Mortgage, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid principal balance so secured at one time shall not exceed five (5) times the face amount of the Note, plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the property encumbered by this Mortgage, with interest on such disbursements at the rate provided in the Loan Agreement or other Loan Documents. The provisions of this paragraph shall not be construed to imply any obligation on Mortgagee to make any future advances, it being the intention of the parties that any future advances shall be solely at the discretion and option of the Mortgagee. Any reference in this Mortgage or other Loan Documents shall be construed to include any future advances pursuant to the Loan Agreement. The indebtedness hereby secured shall not exceed three hundred percent (300%) of the face amount of the Note.

Section 7.6. Waiver of Statutory Rights. Mortgagor hereby waives, to the extent now or hereafter permitted by law, all rights of redemption and reinstatement of this Mortgage pursuant to the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15 1101 et seq. ("IMFL"), on behalf of itself and all those taking by, through or under Mortgagee.

Section 7.7. Compliance with Illinois Mortgage Foreclosure Law. In the event that any provision of this Mortgage shall be inconsistent with any provision of IMFL, the provisions of IMFL shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with IMFL. If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon any Event of Default by Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under IMFL in the absence of said provision Mortgagee shall be vested with the rights granted in IMFL to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under IMFL, whether incurred before or after any decree or judgment of foreclosure, and whether or not encumbered in this Mortgage, shall be added to the Indebtedness secured by this Mortgage or by judgment of foreclosure.

Section 7.8. Waiver of Redemption and Reinstatement Rights. **BORROWER ON BEHALF OF ITSELF, ITS SUCCESSORS AND ASSIGNS AND FOR ANY AND ALL PERSONS EVER CLAIMING AN INTEREST IN THE MORTGAGED PROPERTY (OTHER THAN MORTGAGEE) HEREBY VOLUNTARILY AND KNOWINGLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL REDEMPTION RIGHTS PURSUANT TO 735 ILCS 5/15-1603 AND ALL REINSTATEMENT RIGHTS PURSUANT TO 735 ILCS 5/15-1602 OR ANY OTHER REDEMPTION OR REINSTATEMENT RIGHTS PURSUANT TO ANY OTHER RULE, LAW, ORDINANCE OR STATUTE NOW OR HEREAFTER IN EFFECT IN THE STATE OF ILLINOIS.**

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Section 7.9. Financing Statement. This Mortgage also constitutes a financing statement for the purpose of Section 9-402 of the Illinois Uniform Commercial Code (Illinois Revised Statutes, Section 26) and shall constitute a "fixture filing" under such statutes and shall be filed in the real estate records of Cook County, Illinois.

- (1) Name of Debtor: Chicago 540 Hotel, L.L.C.
- Debtor's Mailing Address: c/o LaSalle Hotel Properties
4800 Montgomery Lane
Suite M25
Bethesda, Maryland 20814
- Address of Property: 540 North Michigan Avenue
Chicago, Illinois 60611
- Name of Secured Party: Connecticut General Life Insurance Company
- Address of Secured Party: c/o CIGNA Retirement & Investment Services
280 Trumbull Street
Hartford, Connecticut 06103

(2) This financing statement covers the following types or items of property: the property described in this instrument, and all other items of personal property now or at any time hereafter owned by Mortgagor and used in connection with the Facility

(3) Some of the above goods are or are to become fixtures on the real property described herein. Mortgagor is the record owner of the real property described herein upon which the foregoing fixtures and other items and types of property are located.

Section 7.10. Usury. All agreements between Mortgagor and Mortgagee (including, without limitation, those contained in this Mortgage, the Note, the Loan Agreement or any other Loan Document) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Mortgagee exceed the highest lawful rate of interest permissible under the laws of the State of Illinois. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Note or any other documents securing the Indebtedness, at the time performance of such provision shall be due, shall involve the payment of interest exceeding the highest rate of interest permitted by law which a court of competent jurisdiction may deem applicable hereto, then, shall involve the payment of interest exceeding the highest rate of interest permitted by law which a court of competent jurisdiction may deem applicable hereto, then *ipso facto*, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under the laws of the State of Illinois; and if for any reason whatsoever, Mortgagee shall receive as interest an amount which would be deemed unlawful, such interest shall be applied to the payment of the last maturing installment or installments of the Indebtedness (whether or not then due and payable) and not to the payment of interest.

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Section 7.11. Insurance. If Mortgagor fails to provide evidence of the insurance coverage specified herein, Mortgagee may purchase insurance at Mortgagor's expense to protect Mortgagee's interests in the Mortgaged Property. This insurance may, but need not, protect Mortgagor's interests. The coverage that Mortgagee purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Mortgaged Property. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained the insurance as required by the Mortgage. If Mortgagee purchases insurance with respect to the Mortgaged Property, Mortgagor will be responsible for the costs of that insurance, including interest and any other charges Mortgagee may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the existing balance of the Debt. The costs of the insurance may be more than the cost of the insurance Mortgagor is able to obtain on its own. In the event of a casualty loss, the net insurance proceeds from such insurance policies shall be paid and applied as specified herein.

[Signatures on following page]

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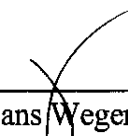
IN WITNESS WHEREOF, this Mortgage, Assignment of Rents, and Security Agreement has been duly executed by Mortgagor as of the day and year first above written.

CHICAGO 540 HOTEL, L.L.C., a Delaware limited liability company

By: LHO Carlyle 540, L.L.C., a Delaware limited liability company, its managing member

By: LaSalle Hotel Operating Partnership, L.P., a Delaware limited partnership, its managing member

By: LaSalle Hotel Properties, a Maryland real estate investment trust, its general partner

By: 

Hans Weger
Chief Financial Officer

Property of Cook County Clerk's Office

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Exhibit A

DESCRIPTION OF PROPERTY

PARCEL 1:

BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT (AND HEREINAFTER REFERRED TO AS THE MAIN TRACT) IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

(EXCEPT FROM SAID MAIN TRACT
(A-1)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 36.83 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 16.12 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 21.98 FEET; THENCE NORTH 90° 00' 00" WEST 6.11 FEET; THENCE SOUTH 00° 00' 00" WEST 4.22 FEET; THENCE NORTHWESTERLY 31.62 FEET ALONG THE ARC OF A CIRCLE HAVING A RADIUS OF 15.39 FEET, CONVEX SOUTHWESTERLY AND WHOSE CHORD BEARS NORTH 55° 43' 49" WEST 26.34 FEET; THENCE SOUTH 90° 00' 00" EAST 4.05 FEET; THENCE NORTH 00° 00' 00" EAST 5.30 FEET; THENCE NORTH 90° 00' 00" WEST 70.31 FEET; THENCE NORTH 00° 00' 00" EAST 8.07 FEET TO A POINT ON THE NORTH LINE OF SAID TRACT; THENCE SOUTH 90° 00' 00" EAST ALONG THE NORTH LINE OF SAID TRACT 94.20 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(A-2)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 36.83 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 19.05 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL

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BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 21.98 FEET; THENCE NORTH 90° 00' 00" WEST 6.11 FEET; THENCE SOUTH 00° 00' 00" WEST 4.22 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00° 00' 00" WEST 8.65 FEET; THENCE NORTH 90° 00' 00" WEST 25.95 FEET; THENCE SOUTH 00° 00' 00" WEST 23.90 FEET; THENCE SOUTH 90° 00' 00" EAST 8.71 FEET; THENCE SOUTH 00° 00' 00" WEST 5.00 FEET; THENCE SOUTH 90° 00' 00" EAST 23.22 FEET TO A POINT ON THE EAST LINE OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 33.18 FEET; THENCE NORTH 90° 00' 00" WEST 77.96 FEET; THENCE NORTH 00° 00' 00" EAST 7.83 FEET; THENCE NORTH 90° 00' 00" WEST 15.59 FEET; THENCE NORTH 00° 00' 00" EAST 36.40 FEET; THENCE NORTH 90° 00' 00" WEST 15.04 FEET; THENCE NORTH 00° 00' 00" EAST 7.50 FEET; THENCE SOUTH 90° 00' 00" EAST 11.72 FEET; THENCE NORTH 00° 00' 00" EAST 21.72 FEET; THENCE SOUTH 90° 00' 00" EAST 4.75 FEET; THENCE NORTH 00° 00' 00" EAST 6.00 FEET; THENCE SOUTH 90° 00' 00" EAST 27.43 FEET; THENCE NORTH 00° 00' 00" EAST 11.40 FEET; THENCE SOUTH 90° 00' 00" EAST 41.08 FEET; THENCE SOUTH 00° 00' 00" WEST 5.30 FEET; THENCE NORTH 90° 00' 00" WEST 4.05 FEET; THENCE SOUTHEASTERLY 31.62 FEET ALONG THE ARC OF A CIRCLE HAVING A RADIUS OF 15.39 FEET, CONVEX SOUTHWESTERLY AND WHOSE CHORD BEARS SOUTH 56° 43' 49" EAST 26.34 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT (A-3)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 26.84 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 14.65 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 21.98 FEET; THENCE NORTH 90° 00' 00" WEST 6.11 FEET; THENCE SOUTH 00° 00' 00" WEST 4.22 FEET; THENCE SOUTH 00° 00' 00" WEST 8.65 FEET; THENCE NORTH 90° 00' 00" WEST 25.95 FEET; THENCE SOUTH 00° 00' 00" WEST 23.90 FEET; THENCE SOUTH 90° 00' 00" EAST 8.71 FEET; THENCE SOUTH 00° 00' 00" WEST 5.00 FEET; THENCE SOUTH 90° 00' 00" EAST 23.22 FEET TO A POINT ON THE EAST LINE OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF

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SAID TRACT 33.18 FEET; THENCE NORTH 90° 00' 00" WEST 77.96 FEET; THENCE NORTH 00° 00' 00" EAST 7.83 FEET; THENCE NORTH 90° 00' 00" WEST 15.59 FEET; THENCE NORTH 00° 00' 00" EAST 36.40 FEET; THENCE NORTH 90° 00' 00" WEST 15.04 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00° 00' 00" EAST 7.50 FEET; THENCE SOUTH 90° 00' 00" EAST 11.72 FEET; THENCE NORTH 00° 00' 00" EAST 21.72 FEET; THENCE SOUTH 90° 00' 00" EAST 4.75 FEET; THENCE NORTH 00° 00' 00" EAST 6.00 FEET; THENCE NORTH 90° 00' 00" WEST 1.46 FEET; THENCE NORTHWESTERLY 24.80 FEET ALONG THE ARC OF A CIRCLE HAVING A RADIUS OF 18.44 FEET, CONVEX SOUTHWESTERLY AND WHOSE CHORD BEARS NORTH 50° 56' 50" WEST 22.97 FEET; THENCE NORTH 00° 00' 00" EAST 3.00 FEET TO A POINT ON THE NORTH LINE OF SAID TRACT; THENCE NORTH 90° 00' 00" WEST ALONG THE NORTH LINE OF SAID TRACT 12.35 FEET; THENCE SOUTH 00° 00' 00" WEST 13.53 FEET; THENCE NORTH 89° 59' 14" WEST 1.01 FEET; THENCE SOUTH 00° 00' 00" WEST 40.72 FEET; THENCE SOUTH 90° 00' 00" EAST 35.57 FEET; THENCE NORTH 00° 00' 00" EAST 1.55 FEET; THENCE SOUTH 90° 00' 00" EAST 10.62 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(A-4)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 21.72 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 19.05 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 21.98 FEET; THENCE NORTH 90° 00' 00" WEST 6.11 FEET; THENCE SOUTH 00° 00' 00" WEST 4.22 FEET; THENCE NORTHWESTERLY 31.62 FEET ALONG THE ARC OF A CIRCLE HAVING A RADIUS OF 15.39 FEET, CONVEX SOUTHWESTERLY AND WHOSE CHORD BEARS NORTH 55° 43' 49" WEST 26.34 FEET; THENCE SOUTH 90° 00' 00" EAST 4.05 FEET; THENCE NORTH 00° 00' 00" EAST 5.30 FEET; THENCE NORTH 90° 00' 00" WEST 41.08 FEET; THENCE NORTH 90° 00' 00" WEST 5.56 FEET; THENCE NORTH 90° 00' 00" WEST 7.57 FEET TO THE POINT OF BEGINNING; THENCE NORTH 90° 00' 00" WEST 3.83 FEET; THENCE SOUTH 00° 00' 00" WEST 11.40 FEET; THENCE SOUTH 90° 00' 00" EAST 3.83 FEET; THENCE NORTH 00° 00' 00" EAST 11.40 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(A-5)

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A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 24.95 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 19.05 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 21.98 FEET; THENCE NORTH 90° 00' 00" WEST 6.11 FEET; THENCE SOUTH 00° 00' 00" WEST 4.22 FEET; THENCE NORTHWESTERLY 31.62 FEET ALONG THE ARC OF A CIRCLE HAVING A RADIUS OF 15.39 FEET, CONVEX SOUTHWESTERLY AND WHOSE CHORD BEARS NORTH 55° 43' 49" WEST 26.34 FEET; THENCE SOUTH 90° 00' 00" EAST 4.05 FEET; THENCE NORTH 00° 00' 00" EAST 5.30 FEET, THENCE NORTH 90° 00' 00" WEST 41.08 FEET; THENCE NORTH 90° 00' 00" WEST 5.56 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00° 00' 00" WEST 11.40 FEET; THENCE NORTH 90° 00' 00" WEST 7.57 FEET; THENCE NORTH 00° 00' 00" EAST 11.40 FEET; THENCE SOUTH 90° 00' 00" EAST 7.57 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(A-6)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 26.25 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 19.05 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 21.98 FEET; THENCE NORTH 90° 00' 00" WEST 6.11 FEET; THENCE SOUTH 00° 00' 00" WEST 4.22 FEET; THENCE NORTHWESTERLY 31.62 FEET ALONG THE ARC OF A CIRCLE HAVING A RADIUS OF 15.39 FEET, CONVEX SOUTHWESTERLY AND WHOSE CHORD BEARS NORTH 55° 43' 49" WEST 26.34 FEET; THENCE SOUTH 90° 00' 00" EAST 4.05 FEET; THENCE NORTH 00° 00' 00" EAST 6.30 FEET; THENCE NORTH 90° 00' 00" WEST 41.08 FEET TO THE POINT OF BEGINNING; THENCE NORTH 90° 00' 00" WEST 5.56 FEET; THENCE SOUTH 00° 00' 00" WEST 11.40 FEET; THENCE SOUTH 90° 00' 00" EAST 5.66 FEET; THENCE NORTH 00° 00' 00" EAST 11.40 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY,

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ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(A-7)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 36.83 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 16.12 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 21.98 FEET TO THE POINT OF BEGINNING; THENCE NORTH 90° 00' 00" WEST 6.11 FEET; THENCE SOUTH 00° 00' 00" WEST 41.77 FEET; THENCE SOUTH 90° 00' 00" EAST 5.98 FEET TO A POINT ON THE EAST LINE OF SAID TRACT; THENCE NORTH 00° 10' 00" EAST ALONG THE EAST LINE OF SAID TRACT 41.77 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(A-8)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 59.98 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 37.36 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 25.02 FEET; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 165.06 FEET; THENCE NORTH 90° 00' 00" WEST 33.03 FEET; THENCE SOUTH 00° 00' 00" WEST 7.70 FEET; THENCE NORTH 90° 00' 00" WEST 8.33 FEET; THENCE NORTH 00° 00' 00" EAST 2.09 FEET; THENCE NORTH 90° 00' 00" WEST 12.50 FEET; THENCE SOUTH 00° 00' 00" WEST 22.58 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT; THENCE SOUTH 89° 58' 55" WEST ALONG THE SOUTH LINE OF SAID TRACT, 112.05 FEET; THENCE NORTH 00° 00' 00" EAST 64.01 FEET; THENCE SOUTH 90° 00' 00" EAST 7.23 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 90° 00' 00" EAST 41.74 FEET; THENCE NORTH 00° 00' 00" EAST 100.60 FEET; THENCE NORTH 90° 00' 00" WEST 38.74 FEET;

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THENCE SOUTH 00° 00' 00" WEST 8.15 FEET; THENCE NORTH 90° 00' 00" WEST 3.00 FEET; THENCE SOUTH 00° 00' 00" WEST 92.45 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(A-9)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 50.64 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 36.83 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 3.37 FEET; THENCE NORTH 90° 00' 00" WEST 78.00 FEET; THENCE SOUTH 00° 00' 00" WEST 14.20 FEET; THENCE SOUTH 90° 00' 00" EAST 45.87 FEET; THENCE SOUTH 00° 00' 00" WEST 7.45 FEET; THENCE SOUTH 90° 00' 00" EAST 32.07 FEET TO A POINT ON THE EAST LINE OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 155.06 FEET; THENCE NORTH 90° 00' 00" WEST 33.03 FEET; THENCE SOUTH 00° 00' 00" WEST 7.70 FEET; THENCE NORTH 90° 00' 00" WEST 8.33 FEET; THENCE NORTH 00° 00' 00" EAST 2.08 FEET; THENCE NORTH 90° 00' 00" WEST 12.50 FEET; THENCE SOUTH 00° 00' 00" WEST 22.58 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT; THENCE SOUTH 89° 58' 55" WEST ALONG THE SOUTH LINE OF SAID TRACT, 112.05 FEET; THENCE NORTH 00° 00' 00" EAST 64.01 FEET; THENCE SOUTH 90° 00' 00" EAST 48.97 FEET; THENCE NORTH 00° 00' 00" EAST 101.60 FEET; THENCE SOUTH 90° 00' 00" EAST 8.62 FEET; THENCE NORTH 00° 00' 00" EAST 7.50 FEET; THENCE SOUTH 90° 00' 00" EAST 11.72 FEET; THENCE NORTH 00° 00' 00" EAST 18.44 FEET; THENCE NORTH 90° 00' 00" WEST 40.31 FEET; THENCE NORTH 00° 00' 00" EAST 12.49 FEET; THENCE SOUTH 90° 00' 00" EAST 5.75 FEET; THENCE NORTH 00° 00' 00" EAST 13.26 FEET TO A POINT ON THE NORTH LINE OF SAID TRACT; THENCE SOUTH 90° 00' 00" EAST ALONG THE NORTH LINE OF SAID TRACT 131.72 FEET TO THE POINT OF BEGINNING (EXCEPT THAT PART THEREOF DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 25.02 FEET; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 10.66 FEET; THENCE NORTH 90° 00' 00" WEST 6.07 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00° 00' 00" WEST 18.65 FEET; THENCE NORTH 90° 00' 00" WEST 6.90 FEET; THENCE SOUTH 00° 00' 00" WEST 5.00 FEET; THENCE NORTH 90° 00' 00" WEST 19.12 FEET; THENCE NORTH 00° 00' 00" EAST 23.65 FEET; THENCE SOUTH 90° 00' 00" EAST 26.02 FEET TO THE POINT OF BEGINNING), IN COOK COUNTY,

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ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(A-10)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 47.57 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 36.83 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 25.02 FEET; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 165.06 FEET; THENCE NORTH 90° 00' 00" WEST 33.03 FEET; THENCE SOUTH 00° 00' 00" WEST 7.70 FEET; THENCE NORTH 90° 00' 00" WEST 8.33 FEET; THENCE NORTH 00° 00' 00" EAST 2.08 FEET; THENCE NORTH 90° 00' 00" WEST 12.50 FEET; THENCE SOUTH 00° 00' 00" WEST 22.58 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT, THENCE SOUTH 89° 58' 55" WEST ALONG THE SOUTH LINE OF SAID TRACT, 112.05 FEET; THENCE NORTH 00° 00' 00" EAST 64.01 FEET; THENCE SOUTH 90° 00' 00" EAST 48.97 FEET; THENCE NORTH 00° 00' 00" EAST 101.60 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 90° 00' 00" EAST 8.62 FEET; THENCE NORTH 00° 00' 00" EAST 7.50 FEET; THENCE SOUTH 90° 00' 00" EAST 11.72 FEET; THENCE NORTH 00° 00' 00" EAST 19.44 FEET; THENCE NORTH 90° 00' 00" WEST 40.31 FEET; THENCE NORTH 00° 00' 00" EAST 12.49 FEET; THENCE SOUTH 90° 00' 00" EAST 5.75 FEET; THENCE NORTH 00° 00' 00" EAST 13.26 FEET TO A POINT ON THE NORTH LINE OF SAID TRACT; THENCE NORTH 90° 00' 00" WEST ALONG THE NORTH LINE OF SAID TRACT 24.51 FEET; THENCE SOUTH 00° 00' 00" WEST 53.70 FEET; THENCE SOUTH 90° 00' 00" EAST 38.74 FEET; THENCE NORTH 00° 00' 00" EAST 1.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(B-1)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 36.83 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 22.94 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

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COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 119.83 FEET; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 36.00 FEET; THENCE NORTH 90° 00' 00" WEST 24.82 FEET; THENCE SOUTH 00° 00' 00" WEST 10.26 FEET; THENCE SOUTH 90° 00' 00" EAST 24.79 FEET TO THE EAST LINE OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 5.85 FEET TO POINT OF BEGINNING; THENCE NORTH 90° 00' 00" WEST 60.67 FEET; THENCE NORTH 00° 00' 00" EAST 16.41 FEET; THENCE NORTH 90° 00' 00" WEST 16.28 FEET; THENCE SOUTH 00° 00' 10" WEST 51.74 FEET; THENCE SOUTH 90° 00' 00" EAST 6.77 FEET; THENCE NORTH 53° 18' 52" EAST 9.91 FEET; THENCE SOUTH 90° 00' 00" EAST 13.31 FEET; THENCE SOUTH 00° 00' 00" WEST 16.93 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT; THENCE NORTH 89° 58' 55" EAST ALONG THE SOUTH LINE OF SAID TRACT 48.79 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE NORTH 00° 10' 00" EAST ALONG THE EAST LINE OF SAID TRACT 46.32 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(B-2)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 36.83 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 21.12 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 119.83 FEET TO POINT OF BEGINNING; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 36.00 FEET; THENCE NORTH 90° 00' 00" WEST 24.82 FEET; THENCE SOUTH 00° 00' 00" WEST 10.26 FEET; THENCE SOUTH 90° 00' 00" EAST 24.79 FEET TO THE EAST LINE OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 5.85 FEET; THENCE NORTH 90° 00' 00" WEST 60.67 FEET; THENCE NORTH 00° 00' 00" EAST 16.41 FEET; THENCE NORTH 90° 00' 00" WEST 16.28 FEET; THENCE NORTH 00° 00' 00" EAST 28.26 FEET; THENCE NORTH 90° 00' 00" WEST 1.33 FEET; THENCE NORTH 00° 00' 00" EAST 4.55 FEET; THENCE SOUTH 90° 00' 00" EAST 1.33 FEET; THENCE NORTH 00° 00' 00" EAST 2.89 FEET; THENCE SOUTH 90° 00' 00" EAST 77.10 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT

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(B-3)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 36.83 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 24.53 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 119.83 FEET; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 36.00 FEET; THENCE NORTH 90° 00' 00" WEST 24.82 FEET; THENCE SOUTH 00° 00' 00" WEST 10.26 FEET; THENCE SOUTH 90° 00' 00" EAST 24.79 FEET TO THE EAST LINE OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 5.85 FEET; THENCE NORTH 90° 00' 00" WEST 60.67 FEET; THENCE NORTH 00° 00' 00" EAST 16.41 FEET; THENCE NORTH 90° 00' 00" WEST 16.28 FEET; THENCE SOUTH 00° 00' 10" WEST 51.74 FEET TO POINT OF BEGINNING; THENCE SOUTH 90° 00' 00" EAST 6.77 FEET; THENCE SOUTH 00° 00' 00" WEST 11.02 FEET TO A POINT ON THE SOUTH LINE OF SAID TRACT; THENCE SOUTH 89° 58' 55" WEST ALONG THE SOUTH LINE OF SAID TRACT 6.77 FEET; THENCE NORTH 00° 00' 00" EAST 11.02 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT

(B-4)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 21.12 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 8.11 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 165.09 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00° 10' 00" WEST ALONG SAID EAST LINE 5.85 FEET; THENCE NORTH 90° 00' 00" WEST 41.95 FEET; THENCE NORTH 00° 00' 00" EAST 16.41 FEET; THENCE NORTH 90° 00' 00" WEST 9.88 FEET; THENCE NORTH 00° 00' 00" EAST 7.50 FEET; THENCE NORTH 90° 00' 00" WEST 8.84 FEET; THENCE NORTH 00° 00' 00" EAST 30.23 FEET; THENCE SOUTH 90° 00' 00" EAST 1.50 FEET; THENCE NORTH 00° 00' 00" EAST 1.44 FEET;

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THENCE SOUTH 90° 00' 00" EAST 21.78 FEET; THENCE SOUTH 00° 00' 00" WEST 11.14 FEET; THENCE SOUTH 90° 00' 00" EAST 7.95 FEET; THENCE SOUTH 00° 00' 00" WEST 2.27 FEET; THENCE SOUTH 90° 00' 00" EAST 4.67 FEET; THENCE SOUTH 00° 00' 00" WEST 36.32 FEET; THENCE SOUTH 90° 00' 00" EAST 24.79 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(B-5)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 21.12 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 9.18 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 166.09 FEET; THENCE SOUTH 00° 10' 00" WEST ALONG SAID EAST LINE 5.85 FEET; THENCE NORTH 90° 00' 00" WEST 41.95 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00° 00' 00" EAST 16.41 FEET; THENCE NORTH 90° 00' 00" WEST 9.88 FEET; THENCE NORTH 00° 00' 00" EAST 7.50 FEET; THENCE NORTH 90° 00' 00" WEST 8.84 FEET; THENCE SOUTH 00° 00' 00" WEST 23.91 FEET; THENCE SOUTH 90° 00' 00" EAST 18.72 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

ALSO EXCEPT FROM SAID MAIN TRACT
(B-6)

A PARCEL BEING PART OF BLOCK 22 (EXCEPT THE EAST 75.00 FEET THEREOF TAKEN FOR WIDENING NORTH MICHIGAN AVENUE), TAKEN AS A TRACT IN KINZIE'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTH FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID PARCEL LYING BELOW 36.83 FEET ABOVE CHICAGO CITY DATUM AND LYING ABOVE 22.94 FEET ABOVE CHICAGO CITY DATUM AND LYING WITHIN THE HORIZONTAL BOUNDARIES OF SAID PARCEL PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE THEREOF 119.83 FEET; THENCE SOUTH 00° 10' 00" WEST ALONG THE EAST LINE OF SAID TRACT 36.00 FEET TO POINT OF BEGINNING; THENCE NORTH 90° 00' 00" WEST 24.82 FEET; THENCE SOUTH 00° 00' 00" WEST 10.26 FEET; THENCE SOUTH 90° 00' 00" EAST 24.79 FEET TO THE EAST LINE OF SAID TRACT; THENCE NORTH 00° 10'

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00" EAST ALONG THE EAST LINE OF SAID TRACT 10.26 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS).

PARCEL 2:

NON-EXCLUSIVE PARKING EASEMENT FOR THE BENEFIT OF PARCEL 1 AS CREATED BY AGREEMENT ENTITLED BLOCK 119 PARKING EASEMENT AGREEMENT MADE BY AND BETWEEN RN 120 COMPANY, L.L.C. AND RN 540 COMPANY L.L.C. DATED JANUARY 8, 1998 AND RECORDED AUGUST 31, 1998 AS DOCUMENT 98774492 OVER A PORTION OF THE FOLLOWING DESCRIBED REAL ESTATE:

LOTS 5 TO 12, BOTH INCLUSIVE, TOGETHER WITH ALL THAT PART OF THE VACATED EAST-WEST 18 FOOT PUBLIC ALLEY LYING SOUTH OF THE SOUTH LINE OF LOTS 5 AND 6, LYING NORTH OF THE NORTH LINE OF LOTS 7 AND 8, LYING EAST OF A LINE DRAWN FROM THE SOUTHWEST CORNER OF LOT 6 TO THE NORTHWEST CORNER OF LOT 7 AND LYING WEST OF A LINE DRAWN FROM THE SOUTHEAST CORNER OF LOT 5 TO THE NORTHEAST CORNER OF LOT 8 IN THE SUBDIVISION OF BLOCK 24, IN KINZIE'S ADDITION TO CHICAGO, A SUBDIVISION OF THE NORTH FRACTION SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCEL 1 AS CREATED BY AGREEMENT ENTITLED EMERGENCY EXIT EASEMENT AGREEMENT MADE BY AND BETWEEN RN 124/125 COMPANY, L.L.C. AND RN 540 HOTEL COMPANY, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY FOR EGRESS THROUGH THE EMERGENCY EXIT INTO, ACROSS AND THROUGH THE FIRST LEVEL OF THE ATRIUM PARCEL TO THE PUBLIC AREA AS CREATED BY EMERGENCY EXIT EASEMENT AGREEMENT DATED AS OF JANUARY 21, 2000 RECORDED JANUARY 28, 2000 AS DOCUMENT 00072922. SAID ATRIUM PARCEL DESCRIBED AS FOLLOWS:

GRAND CONCOURSE AREA - PART 1

THAT PART OF EAST GRAND AVENUE, LYING NORTH OF AND ADJOINING BLOCK 17 AND LYING SOUTH OF AND ADJOINING BLOCK 22, IN KINZIE'S ADDITION TO CHICAGO, IN THE NORTH FRACTIONAL, SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN BLOCK 17 AFORESAID, (SAID EAST LINE BEING ALSO THE WEST LINE OF NORTH MICHIGAN AVENUE AS WIDENED PER

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ORDINANCE PASSED JULY 14, 1913) AND THE NORTH LINE OF SAID BLOCK 17 (BEING ALSO THE SOUTH LINE OF EAST GRAND AVENUE); THENCE NORTH 89 DEGREES 48 MINUTES 42 SECONDS WEST, ALONG SAID NORTH LINE, 101.50 FEET; THENCE NORTH 0 DEGREES 16 MINUTES 00 SECONDS EAST, ALONG A LINE DRAWN PARALLEL WITH A LINE, HEREINAFTER DESCRIBED AS LINE "A", BEING A LINE DRAWN FROM THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN BLOCK 17 AFORESAID, (SAID EAST LINE BEING ALSO THE WEST LINE OF NORTH MICHIGAN AVENUE AS WIDENED PER ORDINANCE PASSED JULY 14, 1913) WITH THE NORTH LINE OF SAID BLOCK 17 (BEING ALSO THE SOUTH LINE OF EAST GRAND AVENUE) TO THE POINT OF INTERSECTION OF THE SOUTH LINE OF BLOCK 22, AFORESAID, (SAID SOUTH LINE BEING ALSO THE NORTH LINE OF EAST GRAND AVENUE) WITH THE WEST LINE OF THE EAST 75 FEET OF BLOCK 22, AFORESAID, 73.47 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF BLOCK 22 AFORESAID; THENCE SOUTH 89 DEGREES 44 MINUTES 20 SECONDS EAST, ALONG SAID SOUTH LINE 101.50 FEET TO THE WEST LINE OF THE EAST 75 FEET OF BLOCK 22 AFORESAID; THENCE SOUTH 0 DEGREES 18 MINUTES 00 SECONDS WEST, ALONG A LINE HERETOFORE DESCRIBED AS LINE "A", 73.34 FEET TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING; LYING ABOVE A PLANE 14 FEET ABOVE GROUND LEVEL AND LYING BELOW A HORIZONTAL PLANE 118 FEET ABOVE CHICAGO CITY DATUM;

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARTS:

GRAND CONCOURSE AREA - PART II:

THE SOUTH 19 FEET OF THE EAST 63.45 FEET OF THE EAST 101.50 FEET OF TRACT "A", LYING ABOVE A PLANE AT GROUND LEVEL AND LYING BELOW A HORIZONTAL PLANE 118 FEET ABOVE CHICAGO CITY DATUM, IN KINZIE'S ADDITION TO CHICAGO, IN THE NORTH FRACTIONAL SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TRACT "A" BEING DESCRIBED AS FOLLOWS:

THAT PART OF EAST GRAND AVENUE, LYING NORTH OF AND ADJOINING BLOCK 17 AND LYING SOUTH OF AND ADJOINING BLOCK 22 IN KINZIE'S ADDITION TO CHICAGO, IN THE NORTH FRACTIONAL SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN BLOCK 17 AFORESAID, (SAID EAST LINE BEING ALSO THE WEST LINE OF NORTH MICHIGAN AVENUE AS WIDENED PER ORDINANCE PASSED JULY 14, 1913) AND THE NORTH LINE OF SAID BLOCK 17 (BEING ALSO THE SOUTH LINE OF EAST GRAND AVENUE); THENCE NORTH 89 DEGREES 48 MINUTES 42 SECONDS WEST, ALONG SAID NORTH

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LINE, 101.50 FEET; THENCE NORTH 0 DEGREES 16 MINUTES 00 SECONDS EAST, ALONG A LINE DRAWN PARALLEL WITH A LINE, HEREINAFTER DESCRIBED AS LINE "A", BEING A LINE DRAWN FROM THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN BLOCK 17 AFORESAID, (SAID EAST LINE BEING ALSO THE WEST LINE OF NORTH MICHIGAN AVENUE AS WIDENED PER ORDINANCE PASSED JULY 14, 1913) WITH THE NORTH LINE OF SAID BLOCK 17 (BEING ALSO THE SOUTH LINE OF EAST GRAND AVENUE) TO THE POINT OF INTERSECTION OF THE SOUTH LINE OF BLOCK 22, AFORESAID, (SAID SOUTH LINE BEING ALSO THE NORTH LINE OF EAST GRAND AVENUE) WITH THE WEST LINE OF THE EAST 75 FEET OF BLOCK 22, AFORESAID, 73.47 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF BLOCK 22 AFORESAID; THENCE SOUTH 89 DEGREES 44 MINUTES 20 SECONDS EAST, ALONG SAID SOUTH LINE 101.50 FEET TO THE WEST LINE OF THE EAST 75 FEET OF BLOCK 22 AFORESAID; THENCE SOUTH 0 DEGREES 16 MINUTES 00 SECONDS WEST, ALONG A LINE HERETOFORE DESCRIBED AS LINE "A", 73.34 FEET TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

AND EXCEPTING:

GRAND RETAIL AREA - PART II

THE SOUTH 19 FEET OF THE WEST 28.05 FEET OF THE EAST 101.50 FEET OF TRACT "A", LYING ABOVE A HORIZONTAL PLANE 21 FEET ABOVE CHICAGO CITY DATUM AND LYING BELOW A HORIZONTAL PLANE 112.08 FEET ABOVE CHICAGO CITY DATUM, IN KINZIE'S ADDITION TO CHICAGO, IN THE NORTH FRACTIONAL SECTION 10, TOWNSHIP 39 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN; SAID TRACT "A" BEING DESCRIBED AS FOLLOWS:

THAT PART OF EAST GRAND AVENUE, LYING NORTH OF AND ADJOINING BLOCK 17 AND LYING SOUTH OF AND ADJOINING BLOCK 22 IN KINZIE'S ADDITION TO CHICAGO, IN THE NORTH FRACTIONAL SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN BLOCK 17 AFORESAID, (SAID EAST LINE BEING ALSO THE WEST LINE OF NORTH MICHIGAN AVENUE AS WIDENED PER ORDINANCE PASSED JULY 14, 1913) AND THE NORTH LINE OF SAID BLOCK 17 (BEING ALSO THE SOUTH LINE OF EAST GRAND AVENUE); THENCE NORTH 89 DEGREES 48 MINUTES 42 SECONDS WEST, ALONG SAID NORTH LINE, 101.50 FEET; THENCE NORTH 0 DEGREES 16 MINUTES 00 SECONDS EAST, ALONG A LINE DRAWN PARALLEL WITH A LINE, HEREINAFTER DESCRIBED AS LINE "A", BEING A LINE DRAWN FROM THE POINT OF

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INTERSECTION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN BLOCK 17 AFORESAID, (SAID EAST LINE BEING ALSO THE WEST LINE OF NORTH MICHIGAN AVENUE AS WIDENED PER ORDINANCE PASSED JULY 14, 1913) WITH THE NORTH LINE OF SAID BLOCK 17 (BEING ALSO THE SOUTH LINE OF EAST GRAND AVENUE) TO THE POINT OF INTERSECTION OF THE SOUTH LINE OF BLOCK 22, AFORESAID, (SAID SOUTH LINE BEING ALSO THE NORTH LINE OF EAST GRAND AVENUE) WITH THE WEST LINE OF THE EAST 75 FEET OF BLOCK 22, AFORESAID, 73.47 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF BLOCK 22 AFORESAID; THENCE SOUTH 89 DEGREES 44 MINUTES 20 SECONDS EAST, ALONG SAID SOUTH LINE 101.50 FEET TO THE WEST LINE OF THE EAST 75 FEET OF BLOCK 22 AFORESAID; THENCE SOUTH 0 DEGREES 16 MINUTES 00 SECONDS WEST, ALONG A LINE HERETOFORE DESCRIBED AS LINE "A", 73.34 FEET TO THE HEREINAFOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO

THE NORTH 20 FEET OF THE EAST 101.50 FEET OF TRACT "A", LYING ABOVE A PLANE 11 FEET ABOVE GROUND LEVEL AND LYING BELOW A PLANE 14 FEET ABOVE GROUND LEVEL, IN KINZIE'S ADDITION TO CHICAGO, IN THE NORTH FRACTIONAL SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TRACT "A" BEING DESCRIBED AS FOLLOWS:

THAT PART OF EAST GRAND AVENUE, LYING NORTH OF AND ADJOINING BLOCK 17 AND LYING SOUTH OF AND ADJOINING BLOCK 22 IN KINZIE'S ADDITION TO CHICAGO, IN THE NORTH FRACTIONAL SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN BLOCK 17 AFORESAID, (SAID EAST LINE BEING ALSO THE WEST LINE OF NORTH MICHIGAN AVENUE AS WIDENED PER ORDINANCE PASSED JULY 14, 1913) AND THE NORTH LINE OF SAID BLOCK 17 (BEING ALSO THE SOUTH LINE OF EAST GRAND AVENUE); THENCE NORTH 89 DEGREES 48 MINUTES 42 SECONDS WEST, ALONG SAID NORTH LINE, 101.50 FEET; THENCE NORTH 0 DEGREES 16 MINUTES 00 SECONDS EAST, ALONG A LINE DRAWN PARALLEL WITH A LINE, HEREINAFTER DESCRIBED AS LINE "A", BEING A LINE DRAWN FROM THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN BLOCK 17 AFORESAID, (SAID EAST LINE BEING ALSO THE WEST LINE OF NORTH MICHIGAN AVENUE AS WIDENED PER ORDINANCE PASSED JULY 14, 1913) WITH THE NORTH LINE OF SAID BLOCK 17 (BEING ALSO THE SOUTH LINE OF EAST GRAND AVENUE) TO THE POINT OF INTERSECTION OF THE SOUTH LINE OF BLOCK 22, AFORESAID, (SAID SOUTH LINE BEING ALSO THE

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NORTH LINE OF EAST GRAND AVENUE) WITH THE WEST LINE OF THE EAST 75 FEET OF BLOCK 22, AFORESAID, 73.47 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF BLOCK 22 AFORESAID; THENCE SOUTH 89 DEGREES 44 MINUTES 20 SECONDS EAST, ALONG SAID SOUTH LINE 101.50 FEET TO THE WEST LINE OF THE EAST 75 FEET OF BLOCK 22 AFORESAID; THENCE SOUTH 0 DEGREES 16 MINUTES 00 SECONDS WEST, ALONG A LINE HERETOFORE DESCRIBED AS LINE "A", 73.34 FEET TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

GRAND CONCOURSE AREA - PART II:

THE SOUTH 19 FEET OF THE EAST 63.45 FEET OF THE EAST 101.50 FEET OF TRACT "A" LYING ABOVE A PLANE AT GROUND LEVEL AND LYING BELOW A HORIZONTAL PLANE 118 FEET ABOVE CHICAGO CITY DATUM, IN KINZIE'S ADDITION TO CHICAGO, IN THE NORTH FRACTIONAL SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TRACT "A" BEING DESCRIBED AS FOLLOWS:

THAT PART OF EAST GRAND AVENUE, LYING NORTH OF AND ADJOINING BLOCK 17 AND LYING SOUTH OF AND ADJOINING BLOCK 22 IN KINZIE'S ADDITION TO CHICAGO, IN THE NORTH FRACTIONAL SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN BLOCK 17 AFORESAID (SAID EAST LINE BEING ALSO THE WEST LINE OF NORTH MICHIGAN AVENUE AS WIDENED PER ORDINANCE PASSED JULY 14, 1913) AND THE NORTH LINE OF SAID BLOCK 17 (BEING ALSO THE SOUTH LINE OF EAST GRAND AVENUE); THENCE NORTH 89 DEGREES 48 MINUTES 42 SECONDS WEST, ALONG SAID NORTH LINE, 101.50 FEET; THENCE NORTH 0 DEGREES 16 MINUTES 00 SECONDS EAST, ALONG A LINE DRAWN PARALLEL WITH A LINE, HEREINAFTER DESCRIBED AS LINE "A", BEING A LINE DRAWN FROM THE POINT OF INTERSECTION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN BLOCK 17 AFORESAID, (SAID EAST LINE BEING ALSO THE WEST LINE OF NORTH MICHIGAN AVENUE AS WIDENED PER ORDINANCE PASSED JULY 14, 1913) WITH THE NORTH LINE OF SAID BLOCK 17 (BEING ALSO THE SOUTH LINE OF EAST GRAND AVENUE) TO THE POINT OF INTERSECTION OF THE SOUTH LINE OF BLOCK 22, AFORESAID, (SAID SOUTH LINE BEING ALSO THE NORTH LINE OF EAST GRAND AVENUE) WITH THE WEST LINE OF THE EAST 75 FEET OF BLOCK 22, AFORESAID, 73.47 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF BLOCK 22 AFORESAID; THENCE SOUTH 89 DEGREES 44 MINUTES 20 SECONDS EAST, ALONG SAID SOUTH LINE 101.50 FEET TO THE WEST LINE OF THE EAST 75 FEET OF BLOCK 22 AFORESAID; THENCE SOUTH 0 DEGREES 16 MINUTES 00 SECONDS WEST,

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ALONG A LINE HERETOFORE DESCRIBED AS LINE "A", 73.34 FEET TO THE
HEREINABOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY,
ILLINOIS.

PARCEL 4:

EASEMENTS FOR THE BENEFIT OF PARCEL 1 AS CREATED BY THE
RECIPROCAL EASEMENT AGREEMENT MADE BY AND BETWEEN CHICAGO
540 HOTEL, L.L.C. AND RN 540 HOTEL COMPANY, L.L.C., DATED AS OF
JANUARY 25, 2000 RECORDED JANUARY 28, 2000 AS DOCUMENT 00072926
INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

- A) MAINTENANCE OF HOTEL BUILDING
- B) STRUCTURAL SUPPORT
- C) FACILITIES FOR UTILITIES OR OTHER SERVICES
- D) SIGNS
- E) SUPPORT, ENCLOSURE, USE AND MAINTENANCE OF COMMON WALLS,
CEILING AND FLOORS
- F) UTILITIES
- G) PIPES AND CONDUIT MAINTENANCE
- H) ENCROACHMENTS
- I) SIDEWALK MAINTENANCE
- J) TO PERMIT EXERCISE OF CUKE RIGHTS

PARCEL 5:

EASEMENT FOR THE BENEFIT OF PARCEL 1 FOR PARKING AS SET FORTH IN
THE UNRECORDED MARRIOTT PARKING AGREEMENT DATED FEBRUARY 10,
1998 AND AS AMENDED BY THAT CERTAIN FIRST AMENDMENT TO
MARRIOTT PARKING AGREEMENT DATED AS OF JANUARY 1, 2001 AS
DISCLOSED BY THE MEMORANDUM OF MARRIOTT PARKING AGREEMENT
RECORDED JULY 5, 2001 AS DOCUMENT NUMBER 0010393522 OVER THE
FOLLOWING LAND:

THE SOUTH HALF OF BLOCK 28 IN KINZIE'S ADDITION TO CHICAGO IN
SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD
PRINCIPAL MERIDIAN IN COOK COUNTY ILLINOIS.