



Doc#: 0601032097 Fee: \$88.50
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 01/10/2006 02:18 PM Pg: 1 of 33

Property of Cook County Clerk's Office

33

MORTGAGE AND SECURITY AGREEMENT

55 EAST MONROE INVESTORS IV, L.L.C., as mortgagor
(Borrower)

To

BARCLAYS CAPITAL REAL ESTATE, INC., as mortgagee
(Lender)

Dated: As of December 23, 2005

Location: 55 East Monroe Street
Chicago, Illinois

County: Cook

Tax Parcel Nos.: 17-15-103-001-0000
17-15-103-002-0000
17-15-103-003-0000
17-15-103-009-8001
17-15-103-009-8002

THIS INSTRUMENT PREPARED BY AND UPON
RECORDATION RETURN TO:

Thacher Proffitt & Wood LLP
Two World Financial Center
New York, New York 10281
Attention: David S. Hall, Esq.



File No.: 16248-00643

8267195, 674, 01

UNOFFICIAL COPY

THIS MORTGAGE (this "Security Instrument") is made as of the 23rd day of December, 2005 by **55 EAST MONROE INVESTORS IV, L.L.C.**, a Delaware limited liability company, having its principal place of business c/o Walton Street Capital, L.L.C., 900 North Michigan Avenue, Suite 1900, Chicago, Illinois 60611, as mortgagor ("Borrower") to **BARCLAYS CAPITAL REAL ESTATE INC.**, a Delaware corporation, having its principal place of business at 200 Park Avenue, New York, NY 10166, as mortgagee ("Lender").

RECITALS:

This Security Instrument is given to secure a loan (the "Loan") in the maximum principal amount of TWO HUNDRED THIRTY-TWO MILLION ONE HUNDRED THOUSAND AND 00/100 DOLLARS (\$232,100,000.00) made pursuant to that certain Loan Agreement, dated as of the date hereof, between Borrower and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time the "Loan Agreement") and evidenced by (i) that certain Promissory Note (Note A), dated December 23, 2005, made by Borrower in favor of Lender (such promissory note, together with all extensions, renewals, replacements, restatements, amendments, supplements, severances or modifications thereof being hereinafter referred to as the "Note A"), (ii) that certain Promissory Note (Note B) dated December 23, 2005, made by Borrower in favor of Lender (such promissory note, together with all extensions, renewals, replacements, restatements, amendments, supplements, severances or modifications thereof being hereinafter referred to as "Note B") and (iii) that certain Promissory Note (Note C) dated December 23, 2005, made by Borrower in favor of Lender (such promissory note, together with all extensions, renewals, replacements, restatements, amendments, supplements, severances or modifications thereof being hereinafter referred to as "Note C", Note A, Note B and Note C are hereinafter collectively referred to as the "Note").

Borrower desires to secure the payment of the Debt (as defined in the Loan Agreement) and the performance of all of its obligations under the Note, the Loan Agreement and the other Loan Documents (as herein defined).

This Security Instrument is given pursuant to the Loan Agreement, and payment, fulfillment, and performance by Borrower of its obligations thereunder and under the other Loan Documents are secured hereby, and each and every term and provision of the Loan Agreement, the Note, and that certain Assignment of Leases and Rents dated the date hereof made by Borrower in favor of Lender delivered in connection with this Security Instrument (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Assignment of Leases"), including the rights, remedies, obligations, covenants, conditions,

UNOFFICIAL COPY

agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Security Instrument (the Loan Agreement, the Note, this Security Instrument, the Assignment of Leases and all other documents evidencing or securing the Debt (including all additional mortgages, deeds to secure debt and assignments of leases and rents) or executed or delivered in connection therewith, are hereinafter referred to collectively as the "Loan Documents"). All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan Agreement.

ARTICLE 1 - GRANTS OF SECURITY

Section 1.1 PROPERTY MORTGAGED. Borrower does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign and warrant to and grant a security interest to Lender and its successors and assigns in, all of Borrower's right, title and interest in the following property, rights, interests and estates now owned, or hereafter acquired by Borrower (collectively, the "Property"):

(a) Land. The real property described in Exhibit A attached hereto and made a part hereof (each a "Parcel" and collectively the "Land");

(b) Ground Lease. That certain ground lease dated May 18, 1966 between Baptist Theological Union Located in Chicago, as lessor (together with any future owner(s) of the lessor's interest in the Ground Lease, "Fee Owner") and Chicago Title and Trust Company, as Trustee under Trust Agreement Dated May 4, 1996 and known as Trust Number 49367, as lessee, as recorded May 23, 1966 as Document Number 19834981 in the office of the Cook County Recorder, as amended by Amendment to Lease dated July 15, 1968, Second Amendment to Lease dated February 6, 1973, Amendment to Lease dated November 29, 1977, Memorandum Agreement dated September 1, 1998 and Fourth Amendment to Lease dated March 20, 2002 (the "Ground Lease"), as assigned to Borrower, and the leasehold estate created thereby (the "Leasehold Estate") in the real property described therein and set forth in Exhibit B attached hereto (the "Leasehold Land"), including all assignments, modifications, extensions and renewals of the Ground Lease and all credits, deposits, options, proceeds, privileges and rights of Borrower as tenant under the Ground Lease, including, but not limited to, the right, if any, to renew or extend the Ground Lease for a succeeding term or terms, and also including all the right, title, claim or demand whatsoever of Borrower either in law or in equity, in possession or expectancy, of, in and to Borrower's right, as tenant under the Ground Lease, to elect under Section 365(h)(1) of the Bankruptcy Code (defined below) to terminate or treat the Ground Lease as terminated or to consent to the transfer of the Fee Owner's interest in the Leasehold Land and the Improvements free and clear of the Ground Lease under Section 363 of the Bankruptcy Code in the event (i) of the bankruptcy, reorganization or insolvency of the Fee Owner, and (ii) (A) the rejection of the Ground Lease by such Fee Owner, as debtor in possession, or by a trustee for such Fee Owner, pursuant to Section 365 of the Bankruptcy Code or (B) any attempt by such Fee Owner, as debtor in possession, or by a trustee for such Fee Owner, to transfer such Fee Owner's interest in the Leasehold Land and the Improvements under Section 363 of the Bankruptcy Code;

UNOFFICIAL COPY

(c) Additional Land. All additional lands, estates and development rights hereafter acquired by Borrower for use in connection with the Land and the Leasehold Land and the development of the Land and the Leasehold Land and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Security Instrument;

(d) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land and the Leasehold Land (the "Improvements");

(e) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Leasehold Land and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land and the Leasehold Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Borrower of, in and to the Land and the Leasehold Land and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(f) Fixtures and Personal Property. All machinery, equipment, fixtures (including, but not limited to, all heating, air conditioning, plumbing, lighting, communications and elevator fixtures), inventory and goods, and other property of every kind and nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Land and the Leasehold Land and the Improvements, or appurtenant thereto, and usable in connection with the present or future operation and occupancy of the Land and the Leasehold Land and the Improvements and all building equipment, materials and supplies of any nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Land and the Leasehold Land and the Improvements, or appurtenant thereto, or usable in connection with the present or future operation and occupancy of the Land and the Leasehold Land and the Improvements (collectively, the "Personal Property"), and the right, title and interest of Borrower in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the State where the Property is located (the "Uniform Commercial Code"), superior in lien to the lien of this Security Instrument and all proceeds and products of the above but expressly excluding leased equipment, the personal property of tenants of the Property, and Personal Property in the nature of vehicles owned by Borrower and used on the Land and the Leasehold Land;

(g) Leases and Rents. All leases, subleases and other agreements or arrangements heretofore or hereafter entered into affecting the use, enjoyment or occupancy of, or the conduct of any activity upon or in, the Land and the Leasehold Land and the Improvements, including any extensions, renewals, modifications or amendments thereof whether before or after the filing by or against Borrower of any petition for relief under Title 11 U.S.C.A. §101 et seq. and the regulations adopted and promulgated thereto (as the same may be amended from time to time,

UNOFFICIAL COPY

the “Bankruptcy Code”) (the “Leases”) and all rents, rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower or its agents or employees from any and all sources arising from or attributable to the Land and the Leasehold Land and the Improvements (the “Rents”), together with all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt;

(h) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including but not limited to any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(i) Insurance Proceeds. All proceeds of and any unearned premiums on any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property (subject to the terms of the Loan Agreement);

(j) Tax Certiorari. All refunds, rebates or credits in connection with a reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reduction;

(k) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, proceeds of insurance and condemnation awards, into cash or liquidation claims (subject to the terms of the Loan Agreement);

(l) Rights. To the extent assignable, the right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Lender in the Property;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and the Leasehold Land and any part thereof and any Improvements or respecting any business or activity conducted on the Land and the Leasehold Land and any part thereof and all right, title and interest of Borrower therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Borrower thereunder;

(n) Intangibles. To the extent assignable, all trade names, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles which are now or hereafter owned by Borrower and relating to or used in connection with the operation of the Property;

UNOFFICIAL COPY

(o) Accounts. All Accounts (as defined in the Loan Agreement), Account Collateral (as defined in the Loan Agreement), reserves, escrows and deposit accounts maintained by Borrower with respect to the Property including, without limitation, the Lockbox Account (as defined in the Loan Agreement) and the Cash Management Account (as defined in the Loan Agreement), and all complete securities, investments, property and financial assets held therein from time to time and all proceeds, products, distributions or dividends or substitutions thereon and thereof;

(p) Causes of Action. All causes of action and claims (including, without limitation, all causes of action or claims arising in tort, by contract, by fraud or by concealment of material fact) against any Person for damages or injury to the Property or in connection with any transactions financed in whole or in part by the proceeds of the Loan (“Cause of Action”);

(q) Interest Rate Cap Agreement. All right, title, interest and claim of Borrower in, to, under or pursuant to that certain Interest Rate Cap Agreement (as defined in the Loan Agreement), and in, to, under or pursuant to any and all amendments, supplements and additions thereto (the Interest Rate Cap Agreement, together with any amendments, additions or supplements thereto being hereinafter collectively referred to as the “Cap Agreement”), all claims of Borrower for breach by Counterparty of any covenant, agreement, representation or warranty contained in the Cap Agreement; and

(r) Other Rights. Any and all other rights of Borrower in and to the items set forth in Subsections (a) through (q) above.

Section 1.2 ASSIGNMENT OF LEASES AND RENTS. Borrower hereby absolutely and unconditionally assigns to Lender Borrower’s right, title and interest in and to all current and future Leases and Rents; it being intended by Borrower that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of this Section 1.2, Section 9.1(h), the Assignment of Leases and the Loan Agreement, Lender grants to Borrower a revocable license to collect and receive the Rents, to hold the Rents, or a portion thereof sufficient to discharge all current sums due on the Debt, for use in the payment of such sums, and to enjoy all of the rights and privileges of the lessor under the Leases. This license shall only be revoked as provided in Section 9.1(h) hereof.

Section 1.3 SECURITY AGREEMENT. This Security Instrument is both a real property mortgage and a “security agreement” within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Borrower in the Property. By executing and delivering this Security Instrument, Borrower hereby grants to Lender, as security for the Obligations, (as herein defined) a security interest in the Personal Property, the Accounts, and the Account Collateral to the full extent that the Personal Property, the Accounts and the Account Collateral may be subject to the Uniform Commercial Code.

Section 1.4 PLEDGE OF MONIES HELD. Borrower hereby pledges to Lender any and all monies now or hereafter held by Lender, including, without limitation, any sums deposited in the Reserve Funds, the Accounts, Net Proceeds and Awards, as additional security for the Obligations until expended or applied as provided in the Loan Agreement or this Security Instrument.

UNOFFICIAL COPY

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Lender and its successors and assigns, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Borrower shall well and truly pay to Lender the Debt at the time and in the manner provided in the Note and this Security Instrument, shall well and truly perform the Other Obligations (as herein defined) as set forth in this Security Instrument, these presents and the estate hereby granted shall cease, terminate and be void.

ARTICLE 2 - DEBT AND OBLIGATIONS SECURED

Section 2.1 DEBT. This Security Instrument and the grants, assignments and transfers made in Article 1 are given for the purpose of securing the Debt, including without limitation,

- (a) the payment of the indebtedness evidenced by the Note in lawful money of the United States of America;
- (b) the payment of interest, default interest, late charges and other sums, as provided in the Note, the Loan Agreement, this Security Instrument or the other Loan Documents;
- (c) the payment of the Breakage Costs or prepayment premium, if any;
- (d) the payment of all other moneys agreed or provided to be paid by Borrower in the Note, the Loan Agreement, this Security Instrument or the other Loan Documents;
- (e) the payment of all sums advanced pursuant to the Loan Agreement or this Security Instrument (and in accordance with the terms thereof) to protect and preserve the Property and the lien and the security interest created hereby; and
- (f) the payment of all sums advanced and reasonable and actual costs and expenses incurred by Lender in connection with the Debt or any part thereof, any modification, amendment, renewal, extension, or change of or substitution for the Debt or any part thereof, or the acquisition or perfection of the security therefor, whether made or incurred at the request of Borrower or Lender.

Section 2.2 OTHER OBLIGATIONS. This Security Instrument and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the following (the "Other Obligations"):

- (a) the performance of all other obligations of Borrower contained herein;
- (b) the performance of each obligation of Borrower contained in any other agreement given by Borrower to Lender which is for the purpose of further securing the obligations secured hereby, and any renewals, extensions, substitutions, replacements, amendments, modifications and changes thereto; and

UNOFFICIAL COPY

(c) the performance of each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Loan Agreement, this Security Instrument or the other Loan Documents.

Section 2.3 DEBT AND OTHER OBLIGATIONS. Borrower's obligations for the payment of the Debt and the performance of the Other Obligations shall be referred to collectively below as the "Obligations."

ARTICLE 3 - BORROWER COVENANTS

Borrower covenants and agrees that:

Section 3.1 PAYMENT OF DEBT. Borrower will pay the Debt at the time and in the manner provided in the Note, the Loan Agreement and in this Security Instrument.

Section 3.2 INCORPORATION BY REFERENCE. All the covenants, conditions and agreements contained in the Loan Agreement, the Note and all and any of the other Loan Documents, are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein.

Section 3.3 INSURANCE. Borrower shall obtain and maintain, or cause to be maintained, insurance in full force and effect at all times with respect to Borrower and the Property as required pursuant to the Loan Agreement.

Section 3.4 PAYMENT OF TAXES, ETC. Borrower shall promptly pay all Taxes and Other Charges in accordance with the terms of the Loan Agreement.

Section 3.5 MAINTENANCE AND USE OF PROPERTY. Borrower shall cause the Property to be maintained in a good and safe condition and repair in accordance with the terms of the Loan Agreement. Subject to the terms of the Loan Agreement, the Improvements and the Personal Property shall not be removed, demolished or materially altered or expanded (except for normal and customary repair, maintenance, and replacement of the Personal Property) without the consent of Lender, which consent shall not be unreasonably withheld. Subject to the terms of the Loan Agreement and to the extent Lender has made the Net Proceeds (as defined in the Loan Agreement) available to Borrower, Borrower shall promptly repair, replace or rebuild or cause to be repaired, replaced or rebuilt any part of the Property which may be destroyed by any Casualty, or become damaged, worn or dilapidated or which may be affected by any Condemnation and shall complete and pay for any structure at any time in the process of construction or repair on the Land and the Leasehold Land. Subject to the terms of the Loan Agreement, Borrower shall not initiate, join in, acquiesce in, or consent to any change in any private restrictive covenant, zoning law or other public or private restriction, limiting or defining the uses which may be made of the Property or any part thereof. If under applicable zoning provisions the use of all or any portion of the Property is or shall become a nonconforming use, Borrower will not knowingly cause or permit the nonconforming use to be discontinued or the nonconforming Improvement to be abandoned without the express written consent of Lender, unless required by applicable law.

UNOFFICIAL COPY

Section 3.6 WASTE. Borrower shall not commit or suffer any physical voluntary waste of the Property or make any change in the use of the Property which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that might invalidate or give cause for cancellation of any Policy, or do or permit to be done thereon anything that may in any way materially and adversely impair the value of the Property or the security of this Security Instrument. Subject to any Permitted Encumbrance where such rights are out of the control of Borrower, Borrower will not, without the prior written consent of Lender, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Land and the Leasehold Land, regardless of the depth thereof or the method of mining or extraction thereof.

Section 3.7 PAYMENT FOR LABOR AND MATERIALS. Subject to the terms of the Loan Agreement, Borrower will promptly pay or cause to be paid when due all bills and costs for labor, materials, and specifically fabricated materials incurred in connection with the Property and never permit to exist in respect of the Property or any part thereof any lien or security interest, even though inferior to the liens and the security interests hereof, and subject to the terms of the Loan Agreement, in any event never permit to be created or exist in respect of the Property or any part thereof any other or additional lien or security interest other than the liens or security interests hereof, except for the Permitted Encumbrances.

Section 3.8 PERFORMANCE OF OTHER AGREEMENTS. Borrower shall observe and perform each and every term to be observed or performed by Borrower pursuant to the terms of the Loan Agreement, any other Loan Documents and any agreement or recorded instrument affecting or pertaining to the Property, or given by Borrower to Lender for the purpose of further securing the Obligations and any amendments, modifications or changes thereto.

Section 3.9 CHANGE OF NAME, IDENTITY OR STRUCTURE. Except as may be permitted under the Loan Agreement, Borrower will not change Borrower's name, identity (including its trade name or names) or corporate, partnership or other structure without first obtaining the prior written consent of Lender. Borrower shall execute and deliver to Lender, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change required by Lender to establish or maintain the validity, perfection and priority of the security interest granted herein. At the request of Lender and subject to Section 9.4 of the Loan Agreement, Borrower shall execute a certificate in form reasonably satisfactory to Lender listing the trade names under which Borrower intends to operate the Property, and representing and warranting that Borrower does business under no other trade name with respect to the Property.

Section 3.10 PROPERTY USE. Except as set forth in the Loan Agreement, the Property shall be used only for an office building and any ancillary uses relating thereto, and for no other uses without the prior written consent of Lender, which consent may be withheld in Lender's sole and absolute discretion.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Lender that:

UNOFFICIAL COPY

Section 4.1 WARRANTY OF TITLE. To Borrower's actual knowledge, Borrower has good title to the Property and has the right to mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey the same and Borrower possesses a fee simple absolute estate in the Land and the Improvements thereon and a leasehold estate in the Leasehold Land and the Improvements thereon pursuant to the Ground Lease. To Borrower's actual knowledge, Borrower owns the Property free and clear of all liens, encumbrances and charges whatsoever except for the Permitted Encumbrances. To Borrower's actual knowledge, the Permitted Encumbrances do not and will not materially adversely affect or interfere with the value, or materially adversely affect or interfere with the current use or operation, of the Property, or the security intended to be provided by this Security Instrument or the ability of Borrower to repay the Note or any other amount owing under the Note, this Security Instrument, the Loan Agreement, or the other Loan Documents or to perform its obligations thereunder in accordance with the terms of the Loan Agreement, the Note, this Security Instrument or the other Loan Documents. To Borrower's actual knowledge, this Security Instrument, when properly recorded in the appropriate records, together with the Assignment of Leases and any Uniform Commercial Code financing statements required to be filed in connection therewith, will create (i) a valid, perfected first priority lien on the Property, subject only to Permitted Encumbrances and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty (including the Leases), all in accordance with the terms thereof, subject only to Permitted Encumbrances. To Borrower's actual knowledge, the Assignment of Leases, when properly recorded in the appropriate records, creates a valid first priority assignment of, or a valid first priority security interest in, certain rights under the related Leases, subject only to a license granted to Borrower to exercise certain rights and to perform certain obligations of the lessor under such Leases, including the right to operate the Property. To Borrower's actual knowledge, no Person other than Borrower owns any interest in any payments due under such Leases that is superior to or of equal priority with the Lender's interest therein. Subject to the limitations set forth herein, Borrower shall forever warrant, defend and preserve the title and the validity and priority of the lien of this Security Instrument and shall forever warrant and defend the same to Lender against the claims of all persons whomsoever.

ARTICLE 5 - OBLIGATIONS AND RELIANCE

Section 5.1 RELATIONSHIP OF BORROWER AND LENDER. The relationship between Borrower and Lender is solely that of debtor and creditor, and Lender has no fiduciary or other special relationship with Borrower, and no term or condition of any of the Loan Agreement, the Note, this Security Instrument and the other Loan Documents shall be construed so as to deem the relationship between Borrower and Lender to be other than that of debtor and creditor.

Section 5.2 NO RELIANCE ON LENDER. The members, general partners, principals and (if Borrower is a trust) beneficial owners of Borrower are experienced in the ownership and operation of properties similar to the Property, and Borrower and Lender are relying solely upon such expertise and business plan in connection with the ownership and operation of the Property. Borrower is not relying on Lender's expertise, business acumen or advice in connection with the Property.

Section 5.3 NO LENDER OBLIGATIONS. (a) Notwithstanding the provisions of Section 1.1(g), (m) and (n) or Section 1.2 hereof, Lender is not undertaking the performance of (i) any

UNOFFICIAL COPY

obligations under the Leases; or (ii) any obligations with respect to such agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses and other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Lender pursuant to this Security Instrument, the Loan Agreement, the Note or the other Loan Documents, including without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Lender shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Lender.

Section 5.4 RELIANCE. Borrower recognizes and acknowledges that in accepting the Note, the Loan Agreement, this Security Instrument and the other Loan Documents, (i) Lender is expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Article 4 of the Loan Agreement and Articles 3 and 4 hereof without any obligation to investigate the Property; (ii) that such reliance existed on the part of Lender prior to the date hereof; (iii) that the warranties and representations are a material inducement to Lender in accepting the Note, the Loan Agreement, this Security Instrument and the other Loan Documents; and (iv) that Lender would not be willing to make the Loan and accept this Security Instrument in the absence of the warranties and representations as set forth in Article 4 of the Loan Agreement and Articles 3 and 4 hereof.

ARTICLE 6 - FURTHER ASSURANCES

Section 6.1 RECORDING OF SECURITY INSTRUMENT, ETC. Borrower forthwith upon the execution and delivery of this Security Instrument and thereafter, from time to time, will cause this Security Instrument and any of the other Loan Documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or 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 fully to protect and perfect the lien or security interest hereof upon, and the interest of Lender in, the Property. Subject to the terms of the Loan Agreement, Borrower will pay all taxes (other than Lender's excise and income taxes attributable to payments under the Note), mortgage taxes, general intangibles taxes, documentary stamp taxes, filing, registration or recording fees, and all reasonable expenses incident to the preparation, execution, acknowledgment and/or recording of the Note, the Loan Agreement, this Security Instrument, the other Loan Documents, and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Security Instrument, the other Loan Documents, or any instrument of further assurance, and any modification or amendment of the foregoing documents, except where prohibited by law so to do.

Section 6.2 FURTHER ACTS, ETC. Borrower will, at the reasonable cost of Borrower, and without expense to Lender, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Lender shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Lender the Property and rights

UNOFFICIAL COPY

hereby deeded, mortgaged, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Borrower may be or may hereafter become bound to convey or assign to Lender, or for carrying out the intention or facilitating the performance of the terms of this Security Instrument or for filing, registering or recording this Security Instrument, or for complying with all Legal Requirements. Borrower, on demand, will execute and deliver and hereby authorizes Lender, following ten (10) days' prior written notice to Borrower, to execute and/or file (as applicable) in the name of Borrower or without the signature of Borrower to the extent Lender may lawfully do so, one or more financing statements, chattel mortgages or other instruments, to evidence more effectively the security interest of Lender in the Property or any Collateral. Borrower grants to Lender an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Lender at law and in equity, including without limitation such rights and remedies available to Lender pursuant to this Section 6.2, provided, however, Lender agrees not to exercise such power of attorney unless an Event of Default has occurred and is continuing and Lender further agrees that such exercise shall not subject Borrower to increased personal liability.

Section 6.3 CHANGES IN TAX, DEBT CREDIT AND DOCUMENTARY STAMP LAWS.

(a) If any law is enacted or adopted or amended after the date of this Security Instrument which deducts the Debt from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Lender's interest in the Property, Borrower will pay the tax, with interest and penalties thereon, if any. If Lender is advised by counsel chosen by it that the payment of tax by Borrower would be unlawful or taxable to Lender or unenforceable or provide the basis for a defense of usury, then Lender shall have the option, exercisable by written notice of not less than one hundred twenty (120) days to declare the Debt immediately due and payable, provided that the Debt will not be subject to any prepayment fee or yield maintenance premium.

(b) Borrower will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Security Instrument or the Debt. If such claim, credit or deduction shall be required by law, Lender shall have the option, exercisable by written notice of not less than one hundred twenty (120) days, to declare the Debt immediately due and payable, provided that the Debt will not be subject to any prepayment fee or yield maintenance premium.

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, the Loan Agreement, this Security Instrument, or any of the other Loan Documents or impose any other tax or charge on the same, Borrower will pay for the same, with interest and penalties thereon, if any.

Section 6.4 REPLACEMENT DOCUMENTS. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any other Loan Document which is not of public record, and, in the case of any such mutilation, upon surrender and

UNOFFICIAL COPY

cancellation of such Note or other Loan Documents, Borrower will issue, at Lender's expense, in lieu thereof, a replacement Note or other Loan Documents, dated the date of such lost, stolen, destroyed or mutilated Note or other Loan Documents in the same principal amount thereof and otherwise of like tenor provided that Lender will deliver to Borrower a lost note affidavit in Lender's then customary form.

Section 6.5 PERFORMANCE AT BORROWER'S EXPENSE. Subject to the terms of the Loan Agreement, Borrower acknowledges and confirms that Lender shall impose certain reasonable out-of-pocket administrative processing and/or commitment fees in connection with (a) the extension, renewal, modification, amendment and termination of the Loan, (b) the release or substitution of collateral therefor, (c) obtaining certain consents, waivers and approvals with respect to the Property, or (d) the review of any Lease or proposed Lease or the preparation or review of any subordination, non-disturbance agreement (the occurrence of any of the above shall be called an "Event"). During the existence of an Event of Default, Borrower further acknowledges and confirms that it shall be responsible for the payment of all costs of reappraisal of the Property or any part thereof, whether required by law, regulation, Lender or any governmental or quasi-governmental authority. Subject to the terms of the Loan Agreement, Borrower hereby acknowledges and agrees to pay, immediately, with or without demand, all such reasonable fees (as the same may be increased or decreased from time to time), and any additional reasonable fees of a similar type or nature which may be imposed by Lender from time to time, upon the occurrence of any Event. Wherever it is provided for herein that Borrower pay any costs and expenses, such costs and expenses shall include, but not be limited to, all reasonable legal fees and disbursements of Lender, with respect to retained firms.

Section 6.6 LEGAL FEES FOR ENFORCEMENT. (a) Borrower shall pay all reasonable legal fees incurred by Lender in connection with the preparation of the Loan Agreement, the Note, this Security Instrument and the other Loan Documents and (b) after the occurrence and during the continuance of an Event of Default, Borrower shall pay to Lender on demand any and all reasonable expenses, including legal expenses and reasonable attorneys' fees, incurred or paid by Lender in protecting its interest in the Property or in collecting any amount payable hereunder or in enforcing its rights hereunder with respect to the Property (including commencing any foreclosure action), whether or not any legal proceeding is commenced hereunder or thereunder, together with interest thereon at the Default Rate from the date of Lender's demand for payment of such expenses until such expenses are paid by Borrower.

ARTICLE 7 - DUE ON SALE/ENCUMBRANCE

Section 7.1 LENDER RELIANCE. Borrower acknowledges that Lender has examined and relied on the experience of Borrower and its partners, members, principals and (if Borrower is a trust) beneficial owners in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Borrower's ownership of the Property as a means of maintaining the value of the Property as security for repayment of the Debt and the performance of the Other Obligations. Borrower acknowledges that Lender has a valid interest in maintaining the value of the Property so as to ensure that, should Borrower default beyond all applicable notice and cure periods in the repayment of the Debt or the performance of the Other Obligations, Lender can recover the Debt by a sale of the Property.

UNOFFICIAL COPY

Section 7.2 NO SALE/ENCUMBRANCE. Neither Borrower nor any Restricted Party shall Transfer the Property or any part thereof or any interest therein or permit or suffer the Property or any part thereof or any interest therein to be Transferred other than as expressly permitted pursuant to the terms of the Loan Agreement.

ARTICLE 8 - PREPAYMENT

Section 8.1 PREPAYMENT. The Debt may not be prepaid in whole or in part except in accordance with the express terms and conditions of the Loan Agreement.

ARTICLE 9 - RIGHTS AND REMEDIES

Section 9.1 REMEDIES. Subject to Applicable Law, upon the occurrence and during the continuance of any Event of Default, Borrower agrees that Lender may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Borrower and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender:

- (a) declare the entire unpaid Debt to be immediately due and payable;
- (b) institute proceedings, judicial or otherwise, for the complete foreclosure of this Security Instrument under any applicable provision of law in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;
- (c) with or without entry, to the extent permitted and pursuant to the procedures provided by Applicable Law, institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Security Instrument for the balance of the Debt not then due;
- (d) subject to any Applicable Law, sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Borrower therein and rights of redemption thereof, pursuant to power of sale, or otherwise, at one or more sales in one or more parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;
- (e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, the Loan Agreement, or in the other Loan Documents;
- (f) subject to Section 9.4 of the Loan Agreement, recover judgment on the Note either before, during or after any proceedings for the enforcement of this Security Instrument or the other Loan Documents;
- (g) to the extent permitted by Applicable Law, apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for

UNOFFICIAL COPY

the adequacy of the security for the Debt and without regard for the solvency of Borrower, any Guarantor or of any person, firm or other entity liable for the payment of the Debt;

(h) subject to any Applicable Law, the license granted to Borrower under Section 1.2 hereof and in the Assignment of Leases shall automatically be revoked and Lender may enter into or upon the Property, either personally or by its agents, nominees or attorneys and take possession of all books, records and accounts relating thereto and Borrower agrees to surrender possession of the Property and of such books, records and accounts to Lender upon demand, and thereupon Lender may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct business thereon; (ii) complete any construction on the Property in such manner and form as Lender deems reasonably necessary; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property as are deemed reasonably necessary by Lender; (iv) exercise all rights and powers of Borrower with respect to the Property, whether in the name of Borrower or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Borrower to pay monthly in advance to Lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Borrower; (vi) require Borrower to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment of the Debt, in such order, priority and proportions as Lender shall deem appropriate in its sole discretion after deducting therefrom all actual out-of-pocket expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts reasonably necessary to pay the Taxes, Other Charges, Insurance Premiums and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Lender, its counsel, agents and employees;

(i) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of any Collateral (including, without limitation, the Personal Property) or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Collateral (including without limitation, the Personal Property), and (ii) request Borrower at its expense to assemble the Collateral, including, without limitation, the Personal Property, and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Collateral, including without limitation, the Personal Property, sent to Borrower in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute commercially reasonable notice to Borrower;

(j) apply any sums then deposited in the Accounts and any other sums held in escrow or otherwise by Lender in accordance with the terms of this Security Instrument, the Loan Agreement, or any other Loan Documents to the payment of the following items in any order in its sole discretion:

- (i) Taxes and Other Charges;

UNOFFICIAL COPY

- (ii) Insurance Premiums;
- (iii) interest on the unpaid principal balance of the Note;
- (iv) amortization of the unpaid principal balance of the Note; or
- (v) all other sums payable pursuant to the Note, the Loan Agreement, this Security Instrument and the other Loan Documents, including without limitation advances made by Lender pursuant to the terms of this Security Instrument;
- (k) Intentionally Deleted;
- (l) apply the undisbursed balance of any Net Proceeds Deficiency deposit, together with interest thereon, to the payment of the Debt in such order, priority and proportions as Lender shall deem to be appropriate in its discretion;
- (m) foreclosure by power of sale or otherwise and apply the proceeds of any recovery to the Debt in accordance with Section 9.2 or to any deficiency under this Security Instrument;
- (n) exercise all rights and remedies under any Causes of Action, whether before or after any sale of the Property by foreclosure, power of sale, or otherwise and apply the proceeds of any recovery to the Debt in accordance with Section 9.2 or to any deficiency under this Security Instrument; or
- (o) pursue such other remedies as Lender may have under Applicable Law.

In the event of a sale, by foreclosure, power of sale, or otherwise, of less than all of the Property, this Security Instrument shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 9.2 APPLICATION OF PROCEEDS. Upon the occurrence and during the continuance of an Event of Default, the purchase money, proceeds and avails of any disposition of the Property, or any part thereof, or any other sums collected by Lender pursuant to the Note, this Security Instrument, the Loan Agreement, or the other Loan Documents, may be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper.

Section 9.3 RIGHT TO CURE DEFAULTS. Upon the occurrence and continuance of any Event of Default Lender may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, make or do the same in such manner and to such extent as Lender may deem reasonably necessary to protect the security hereof. Lender is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Security Instrument or collect the Debt. The actual out-of-pocket cost and expense of any cure hereunder (including reasonable attorneys' fees to the extent permitted by law), with interest as provided below, shall constitute a portion of the Debt and shall be due and payable to Lender upon demand. All such costs and expenses incurred by Lender in remedying such Event of Default shall bear interest at the Default Rate for the period after notice from Lender that such

UNOFFICIAL COPY

cost or expense was incurred to the date of payment to Lender and shall be deemed to constitute a portion of the Debt and be secured by this Security Instrument and the other Loan Documents and shall be immediately due and payable upon demand by Lender therefor.

Section 9.4 ACTIONS AND PROCEEDINGS. Lender has the right to appear in and defend any action or proceeding brought with respect to the Property and, after the occurrence and during the continuance of an Event of Default, to bring any action or proceeding, in the name and on behalf of Borrower, which Lender, in its discretion, decides should be brought to protect its interest in the Property.

Section 9.5 RECOVERY OF SUMS REQUIRED TO BE PAID. Subject to Section 9.4 of the Loan Agreement, Lender shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Lender thereafter to bring an action of foreclosure, or any other action, for an Event of Default or Events of Defaults by Borrower existing at the time such earlier action was commenced.

Section 9.6 OTHER RIGHTS, ETC. (a) The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Security Instrument. Borrower shall not be relieved of Borrower's obligations hereunder by reason of (i) the failure of Lender to comply with any request of Borrower or any Guarantor to take any action to foreclose this Security Instrument or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Debt or any portion thereof, or (iii) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of the Note, the Loan Agreement, this Security Instrument or the other Loan Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Borrower, and Lender shall have no liability whatsoever for decline in value of the Property, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured unless such loss was caused by Lender's or their agents gross negligence or willful misconduct. Possession by Lender shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to the Property or any other Collateral not in Lender's possession.

(c) Upon the occurrence of and during the continuance of an Event of Default, Lender may resort for the payment of the Debt to any other security held by Lender in such order and manner as Lender, in its discretion, may elect. Upon the occurrence of and during the continuance of an Event of Default, Lender may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to foreclose this Security Instrument. The rights of Lender under this Security Instrument shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Lender shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

UNOFFICIAL COPY

Section 9.7 RIGHT TO RELEASE ANY PORTION OF THE PROPERTY. Lender may release any portion of the Property for such consideration as Lender may require without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Security Instrument, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Lender for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as Lender may require without being accountable for so doing to any other lienholder. This Security Instrument shall continue as a lien and security interest in the remaining portion of the Property. Upon the satisfaction of the conditions set forth in Section 2.6 of the Loan Agreement, Lender shall release the Residential Component (as defined in the Loan Agreement) from the lien of this Security Instrument.

Section 9.8 VIOLATION OF LAWS. Subject to the terms of the Loan Agreement, if the Property is not in compliance with all Legal Requirements, Lender may impose additional requirements upon Borrower in connection herewith including, without limitation, monetary reserves or financial equivalents.

Section 9.9 RIGHT OF ENTRY. Subject to the terms of the Loan Agreement, Lender and its agents shall have the right to enter and inspect the Property at all reasonable times but subject to the rights of tenants under their respective leases.

Section 9.10 SUBROGATION. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Lender shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, and the performance and discharge of the Obligations.

ARTICLE 10 - INDEMNIFICATIONS

Section 10.1 GENERAL INDEMNIFICATION. Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and arising out of or in any way relating to any one or more of the following: (a) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (b) any use, nonuse or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (c) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (d) any failure of the Property to be in compliance with any Legal Requirements; (e) any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any Lease; or (f) the payment of any commission, charge or brokerage fee to anyone which may be payable in connection with the funding of the Loan evidenced by the Note and secured by this Security

UNOFFICIAL COPY

Instrument. Any amounts payable to Lender by reason of the application of this Section 10.1 shall become due and payable within ten (10) days of receipt of written notice from Lender and if not paid within such ten (10) day period, shall bear interest at the Default Rate from the date loss or damage is sustained by Lender until paid. Subject to the terms of Section 9.4 of the Loan Agreement, the obligations and liabilities of Borrower under this paragraph shall survive for a period of five (5) years after any termination, satisfaction or assignment of this Security Instrument and the exercise by Lender of any of its rights or remedies hereunder including, but not limited to, the entry of a judgment of foreclosure or the acquisition of the Property by foreclosure or a conveyance in lieu of foreclosure. Notwithstanding the provisions of this paragraph, (A) Borrower or any other Indemnified Party shall have no liability to Lender if such Losses are caused by the gross negligence or willful misconduct of Lender or its agents or such other Indemnified Party, and (B) the obligations of Borrower under this paragraph shall exclude Losses arising solely from a state of facts that first came into existence after Lender, its nominee or designee, or a bona fide independent third party acquired title to the Property through foreclosure, exercise of a power of sale or a deed in lieu of foreclosure. For the purpose of this Section 10.1 only, successors and assigns shall not include any bona fide third party who purchases fee title to the Property from Lender or any affiliate of Lender after Lender has acquired fee title to the Property through foreclosure, deed in lieu of foreclosure or the exercise of any other remedies available to Lender hereunder, under the Note or under any of the other Loan Documents, or who purchased fee title to the Property at a foreclosure sale.

Section 10.2 MORTGAGE AND/OR INTANGIBLE TAX. Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any tax on the making and/or recording of this Security Instrument, the Loan Agreement, the Note or any other Loan Document.

Section 10.3 ENVIRONMENTAL INDEMNITY. Simultaneously with this Security Instrument, Borrower has executed and delivered the Environmental Indemnity.

ARTICLE 11 - WAIVERS

Section 11.1 WAIVER OF COUNTERCLAIM. Borrower hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Lender arising out of or in any way connected with this Security Instrument, the Note, the Loan Agreement, any of the other Loan Documents, or the Obligations.

Section 11.2 MARSHALLING AND OTHER MATTERS. Borrower hereby waives, to the extent permitted by law, the benefit of all appraisal, valuation, stay, extension and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Borrower, and on behalf of each Person acquiring any interest in or title to the Property subsequent to the date of this Security Instrument and on behalf of all persons to the extent permitted by Legal Requirements.

UNOFFICIAL COPY

Section 11.3 WAIVER OF NOTICE. Borrower shall not be entitled to any notices of any nature whatsoever from Lender except (a) with respect to matters for which this Security Instrument, the Loan Agreement or any other Loan Document, specifically and expressly provides for the giving of notice by Lender to Borrower, and (b) with respect to matters for which Lender is required by any Applicable Law to give notice, and Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter (other than as set forth in the foregoing clauses (a) and (b)) for which this Security Instrument does not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section 11.4 INTENTIONALLY DELETED.

Section 11.5 SOLE DISCRETION OF LENDER. Wherever pursuant to this Security Instrument (a) Lender exercises any right given to it to approve or disapprove, (b) any arrangement or term is to be satisfactory to Lender, or (c) any other decision or determination is to be made by Lender, the decision of Lender to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Lender, shall be in the sole and absolute discretion of Lender, except as may be otherwise expressly and specifically provided herein or in any of the other Loan Documents.

ARTICLE 12 - EXCULPATION

Section 12.1 EXCULPATION. Notwithstanding anything to the contrary contained in this Security Instrument, the liability of Borrower to pay the Debt and for the performance of the other agreements, covenants and obligations contained herein and in the Note, the Loan Agreement and the other Loan Documents shall be limited as set forth in Section 9.4 of the Loan Agreement.

ARTICLE 13 - SUBMISSION TO JURISDICTION

Section 13.1 SUBMISSION TO JURISDICTION. With respect to any claim or action arising hereunder or under the Note or the other Loan Documents, Borrower (a) irrevocably submits to the nonexclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York, New York, and appellate courts from any thereof pursuant to Section 5-1402 of the New York General Obligations Law, and (b) irrevocably waives any objection which it may have at any time to the laying on venue of any suit, action or proceeding arising out of or relating to this Security Instrument brought in any such court, irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing in this Security Instrument will be deemed to preclude Lender from bringing an action or proceeding with respect hereto in any other jurisdiction.

ARTICLE 14 - APPLICABLE LAW

Section 14.1 CHOICE OF LAW. THIS SECURITY INSTRUMENT SHALL BE DEEMED TO BE A CONTRACT ENTERED INTO PURSUANT TO THE LAWS OF THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS BE GOVERNED, CONSTRUED, APPLIED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF

UNOFFICIAL COPY

NEW YORK, PROVIDED HOWEVER, THAT WITH RESPECT TO THE CREATION, PERFECTION, PRIORITY AND ENFORCEMENT OF THE LIEN OF THIS SECURITY INSTRUMENT, AND THE DETERMINATION OF DEFICIENCY JUDGMENTS, THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED SHALL APPLY, WITHOUT REGARD TO PRINCIPALS OF CONFLICTS OF LAWS. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT, THE NOTE AND/OR THE OTHER LOAN DOCUMENTS, AND THIS AGREEMENT, THE NOTE 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 EXCEPT AS PROVIDED IN THE IMMEDIATELY PRECEDING SENTENCE.

Section 14.2 PROVISIONS SUBJECT TO APPLICABLE LAW. All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any Legal Requirements.

ARTICLE 15 - DEFINITIONS

Section 15.1 GENERAL DEFINITIONS. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Security Instrument may be used interchangeably in singular or plural form and the word "Borrower" shall mean "each Borrower and any subsequent owner or owners of the Property or any part thereof or any interest therein," the word "Lender" shall mean "Lender and any subsequent holder of the Note," the word "Note," shall mean "the Note and any other evidence of indebtedness secured by this Security Instrument," the word "Property" shall include any portion of the Property and any interest therein, and the phrases "legal fees", "attorneys' fees" and "court fees" shall include any and all reasonable attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Lender in protecting its interest in the Property, the Leases and the Rents and enforcing its rights hereunder.

Section 15.2 HEADINGS, ETC. The headings and captions of various Articles and Sections of this Security Instrument are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

ARTICLE 16 - MISCELLANEOUS PROVISIONS

Section 16.1 NO ORAL CHANGE. This Security Instrument and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

UNOFFICIAL COPY

Section 16.2 LIABILITY. Subject to Section 12.1 above, if Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Security Instrument shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns.

Section 16.3 INAPPLICABLE PROVISIONS. If any term, covenant or condition of this Security Instrument or any other Loan Document, is held to be invalid, illegal or unenforceable in any respect, the Note and this Security Instrument or the other Loan Documents, as the case may be, shall be construed without such provision.

Section 16.4 DUPLICATE ORIGINALS; COUNTERPARTS. This Security Instrument may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Security Instrument may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Security Instrument. The failure of any party hereto to execute this Security Instrument, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

Section 16.5 NUMBER AND GENDER. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 16.6 NOTICE. All notices required or permitted under this Security Instrument shall be given and be effective in accordance with Section 10.6 of the Loan Agreement.

ARTICLE 17 - GROUND LEASE PROVISIONS

Section 17.1 NO MERGER OF FEE AND LEASEHOLD ESTATES; RELEASES. So long as any portion of the Debt shall remain unpaid, unless Lender shall otherwise consent, the fee title to the Leasehold Land and the Leasehold Estate shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in Borrower, Fee Owner, or in any other Person by purchase, operation of law or otherwise. Notwithstanding the foregoing, Borrower shall have the right to acquire the Leasehold Land in accordance with the terms of Section 2.7 of the Loan Agreement. Lender reserves the right, at any time, to release portions of the Property, including, but not limited to, the Leasehold Estate, with or without consideration, at Lender's election, without waiving or affecting any of its rights hereunder or under the Note or the other Loan Documents and any such release shall not affect Lender's rights in connection with the portion of the Property not so released.

Section 17.2 BORROWER'S ACQUISITION OF FEE ESTATE. In the event that Borrower, so long as any portion of the Debt remains unpaid, shall be the owner and holder of the fee title to the Leasehold Land, the lien of this Security Instrument shall be spread to cover Borrower's fee title to the Leasehold Land and said fee title shall be deemed to be included in the Property. Borrower agrees, at its sole cost and expense, including without limitation, Lender's reasonable attorney's fees, to (i) execute any and all documents or instruments necessary to subject its fee title to the Leasehold Land to the lien of this Security Instrument; and (ii) provide a title insurance policy which shall insure that the lien of this Security Instrument is a first lien on Borrower's fee title to the Leasehold Land.

UNOFFICIAL COPY

Section 17.3 BANKRUPTCY.

(a) Subject to the terms of the Loan Agreement, Borrower shall not, in any event, including the bankruptcy, reorganization or insolvency of Borrower or Fee Owner, (i) surrender its leasehold estate, or any portion thereof, nor terminate, cancel or acquiesce in the rejection of the Ground Lease; (ii) consent or fail to object to any attempt by Fee Owner to sell or transfer its interest in the Leasehold Land and the Improvements free and clear of the Ground Lease; or (iii) modify, change, supplement, alter or amend the Ground Lease in any respect, either orally or in writing. Subject to the terms of the Loan Agreement, Borrower does hereby expressly release, assign, relinquish and surrender unto Lender all its right, power and authority to terminate, cancel, acquiesce in the rejection of, consent or object to any attempted transfer Fee Owner's interest in the Leasehold Land and the Improvements free and clear of the Ground Lease, or modify, change, supplement, alter or amend the Ground Lease in any respect, either orally or in writing, at any time, including in the event of the bankruptcy, reorganization or insolvency of Borrower or Fee Owner under the Ground Lease, and any attempt on the part of Borrower to exercise any such right without the consent of Lender shall be null and void. Notwithstanding the foregoing, in the event of a threatened termination of the Ground Lease due to the bankruptcy, reorganization or insolvency of Borrower, Borrower shall, at Lender's election, absolutely assign to Lender, in lieu of such termination, all of Borrower's right, title and interest in and to the Ground Lease.

(b) In the event the Ground Lease is rejected by Fee Owner, as debtor in possession, or by a trustee for Fee Owner, pursuant to Section 365 of the Bankruptcy Code, Borrower shall not exercise its right to elect under Section 365(h)(1) of the Bankruptcy Code to terminate or treat the Ground Lease as terminated. Any such election made shall be null and void. In any event, Borrower hereby waives, for the benefit of Lender, its successors and assigns only, and not enforceable by anyone else, the provisions of Section 365 of the Bankruptcy Code, or of any statute or rule of law now or hereafter in effect which gives or purports to give Borrower any right of election to terminate the Ground Lease, to acquiesce in the termination of the Ground Lease or to surrender possession of the Property in the event of the bankruptcy, reorganization or insolvency of Borrower or any other party including, without limitation, Fee Owner.

(c) In the event Fee Owner, as debtor in possession, or by a trustee for Fee Owner, attempts to transfer its interest in the Leasehold Land and the Improvements free and clear of the Ground Lease pursuant to Section 363 of the Bankruptcy Code, Borrower shall not consent, acquiesce or fail to object to such attempted transfer. Any such consent, acquiescence or failure to object made shall be null and void. In any event, Borrower hereby waives, for the benefit of Lender, its successors and assigns only, and not enforceable by anyone else, the provisions of Section 363 of the Bankruptcy Code, or of any statute or rule of law now or hereafter in effect which gives or purports to give Borrower any right to consent to or acquiesce in the transfer of the Fee Owner's interest in the Leasehold Land and the Improvements thereon free and clear of the Ground Lease, to acquiesce in the termination of the Ground Lease or to surrender possession of the Property in the event of the bankruptcy, reorganization or insolvency of Fee Owner or any other party.

UNOFFICIAL COPY

ARTICLE 18 - STATE SPECIFIC PROVISIONS

Section 18.1 INCONSISTENCIES. In the event of any inconsistencies between the terms and conditions of this Article 18 and the other provisions of this Security Instrument, the terms and conditions of this Article 18 shall control and be binding.

Section 18.2 The words, "accessions to and substitutions and replacements for," are hereby added after the words "all proceeds and products of" in subsection (f) of Section 1.1 of this Security Instrument entitled "Property Mortgaged."

Section 18.3 The text of Section 1.3 of this Security Instrument entitled "Security Agreement" is hereby deleted and the following is substituted therefor:

Borrower and Lender agree that this Security Instrument shall constitute a Security Agreement within the meaning of the Illinois Uniform Commercial Code (the "Illinois UCC") with respect to (i) all sums at any time on deposit for the benefit of Lender or held by Lender (whether deposited by or on behalf of Borrower or anyone else) pursuant to any of the provisions of the Note, the Loan Agreement, this Security Instrument or the other Loan Documents and (ii) with respect to the Personal Property, which Personal Property may not be deemed to be affixed to the Property or may not constitute a "fixture" (within the meaning of Section 9-102 of the Illinois UCC) and all replacements of, substitutions for, additions to, and the proceeds thereof (all of said Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as the "Collateral"), and that a security interest in and to the Collateral is hereby granted to the Lender, and the Collateral and all of Borrower's right, title and interest therein are hereby assigned to Lender, all to secure payment of the Debt. All of the provisions contained in this Security Instrument pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Property; and the following provisions of this Section shall not limit the applicability of any other provision of this Security Instrument but shall be in addition thereto:

- (a) Borrower (being the Debtor as that term is used in the Illinois UCC) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, other liens and encumbrances benefiting Lender and no other party, and liens, charges and encumbrances, if any, expressly permitted by this Security Instrument or the other Loan Documents;
- (b) The Collateral is to be used by Borrower solely for business purposes;
- (c) The Collateral will be kept at the Property (except for normal replacement of Personal Property) and will not be removed therefrom without the consent of Lender (being the Secured Party as that term is used in the Illinois UCC). The Collateral may be affixed to the Property but will not be affixed to any other real estate;
- (d) The only persons having any interest in the Property (excluding the rights of tenants under the Leases) are Borrower, Lender and holders of interests, if any, expressly permitted hereby or in the other Loan Documents;

UNOFFICIAL COPY

(e) No financing statement (other than financing statements showing Lender as the sole secured party, or those with respect to liens or encumbrances, if any, expressly permitted hereby or in the other Loan Documents) covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto or pursuant to the other Loan Documents; and upon ten (10) days' notice from Lender, Borrower will deliver to Lender such financing statements and other documents in form reasonably satisfactory to Lender and will do all such acts as Lender may reasonably request at any time or from time to time or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Debt, subject to no other liens or encumbrances, other than liens or encumbrances benefiting Lender and those expressly permitted hereby or in the other Loan Documents; and Borrower will pay the cost of filing or recording such financing statements or other documents, and this Security Instrument in all public offices wherever filing or recording is necessary or appropriate to establish or maintain the perfection of the security interest granted herein;

(f) Upon and during the continuance of an Event of Default, Lender shall have the remedies of a secured party under the Illinois UCC, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose, so far as Borrower can give authority therefor, with or without judicial process, may enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Illinois UCC); and Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Borrower's right of redemption in satisfaction of Borrower's obligations, as provided in the Illinois UCC. Lender may require Borrower to assemble the Collateral and make it available to Lender for its possession at a place to be designated by Lender which is reasonably convenient to both parties. Lender will give Borrower at least twenty (20) days' notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is received by Borrower at least twenty (20) days before the time of the sale or disposition. Lender may buy at any public sale. Lender may buy at private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Property. If Lender so elects, the Property and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for Lender's out-of-pocket expenses of retaking, holding, preparing for sale, selling and the reasonable attorneys' fees and legal expenses incurred by Lender, shall be applied against the Debt in such order or manner as Lender shall select. Lender will account to Borrower for any surplus realized on such disposition;

(g) The terms and provisions contained in this Section 1.3, unless the context otherwise requires, shall have the meanings and be construed as provided in the Illinois UCC;

(h) This Security Instrument is intended to be a financing statement within the purview of Section 9-502 of the Illinois UCC with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Property. The addresses of Borrower (Debtor) and Lender (Secured Party) are hereinabove set forth. This

UNOFFICIAL COPY

Security Instrument is to be filed for recording with the recorder of deeds of the county or counties where the Property is located. Borrower is the record owner of the Property;

(i) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all Leases between Borrower or its agents, as lessor, and various tenants named therein, as lessee, including all extended terms and all extensions and renewals of the terms thereof, as well as any amendments to or replacement of said Leases, together with all of the right, title and interest of Borrower, as lessor thereunder; and

(j) The address of Borrower, from which information concerning the security interests in the Collateral may be obtained, is set forth on page 1 of this Security Instrument.

Section 18.4 The words, “(which rate of interest may vary from time to time during the term of the Loan secured hereby)” are hereby added after the words “payment of interest” in subsection (b) of Section 2.1 of this Security Instrument entitled “Debt.”

Section 18.5 Intentionally Omitted.

Section 18.6 The text of Section 10.5 of this Security Instrument entitled “Waiver of Trial by Jury” is hereby deleted and the following is substituted therefor:

BORROWER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER BY CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THE NOTE, THE LOAN AGREEMENT, THIS SECURITY INSTRUMENT OR THE OTHER LOAN DOCUMENTS OR ANY ACTS OR OMISSIONS OF LENDER, ITS OFFICERS, EMPLOYEES, DIRECTORS OR AGENTS IN CONNECTION THEREWITH.

Section 18.7 WAIVERS. Section 10.2 of this Security Instrument entitled “Marshalling and Other Matters” is hereby deleted and the following is substituted therefor:

“Section 10.2 WAIVER OF APPRAISEMENT, VALUATION, STAY, EXTENSION AND REDEMPTION LAWS. Borrower agrees, to the full extent permitted by law, that at all times following an Event of Default, neither Borrower nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, or extension laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Security Instrument or the absolute sale of the Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereat; and Borrower, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws and any and all right to have the assets comprising the Property marshaled upon any foreclosure of the lien hereof and agrees that Lender or any court having jurisdiction to foreclosure such lien may sell the Property in part or as an entirety. To the full extent permitted by law, Borrower hereby waives any and all

UNOFFICIAL COPY

statutory or other rights of redemption from sale under any order or decree of foreclosure of this Security Instrument, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date hereof.”

Section 18.8 USE OF PROCEEDS. Borrower hereby represents and agrees that the proceeds of the Note secured by this Security Instrument will be used for the purposes specified in the Illinois Interest Act, 815 ILCS §205/4(l), and the indebtedness secured hereby constitutes a business loan which comes within the purview of 815 ILCS §205/4(c).

Section 18.9 MATURITY DATE. In no event shall the maturity date of the Note be later than January 9, 2008.

Section 18.10 ILLINOIS MORTGAGE FORECLOSURE LAW.

(a) In the event any provision in this Security Instrument shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735 ILCS Sections 5/15-1101 et. seq., Illinois Compiled Statutes) (the “Foreclosure Act”), the provisions of the Foreclosure Act shall take precedence over the provisions of this Security Instrument, but shall not invalidate or render unenforceable any other provision of this Security Instrument that can be construed in a manner consistent with the Foreclosure Act.

(b) Intentionally Omitted.

(c) Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of the Foreclosure Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in Article 9 of this Security Instrument, shall be added to the indebtedness secured by this Security Instrument or by the judgment of foreclosure.

Section 18.11 MAXIMUM PRINCIPAL INDEBTEDNESS. Notwithstanding any provision contained herein to the contrary, the maximum principal indebtedness secured by this Security Instrument shall not exceed \$464,200,000.00.

Section 18.12 POWER OF SALE. Any references to “power of sale” in this Security Instrument are permitted only to the extent allowed by law.

Section 18.13 MISCELLANEOUS. Borrower acknowledges that the Property does not constitute agricultural real estate as defined in Section 15-1201 of the Foreclosure Act or residential real estate as defined in Section 15-1219 of the Foreclosure Act.

Section 18.14 FUTURE ADVANCES. This Security Instrument is given for the purpose of securing loan advances which Lender may make to or for Borrower pursuant and subject to the terms and provisions of the Loan Agreement. The parties hereto intend that, in addition to any other debt or obligation secured hereby, this Security Instrument shall secure unpaid balances of loan advances made after this Security Instrument is delivered to the Office of the Recorder of the County in which the Property is located, whether made pursuant to an obligation of Lender or otherwise, provided that such advances are within twenty (20) years from the date hereof and in such event, such advances shall be secured to the same extent as if such future

UNOFFICIAL COPY

advances were made on the date hereof, although there may be no advance made at the time of execution hereof and although there may be no indebtedness outstanding at the time any advance is made. Such loan advances may or may not be evidenced by notes executed pursuant to the Loan Agreement.

Section 18.15 OPTIONAL SUBORDINATION. At the option of Lender, this Security Instrument shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any Condemnation Proceeds), to any and all leases of all or any part of the Property upon the execution by Lender and recording thereof, at any time hereafter in the appropriate official records of the County wherein the Property is situated, of a unilateral declaration to that effect.

[NO FURTHER TEXT ON THIS PAGE]

Property of Cook County Clerk's Office

UNOFFICIAL COPY

IN WITNESS WHEREOF, THIS SECURITY INSTRUMENT has been executed by Borrower as an instrument under seal as of the day and year first above written.

BORROWER:

55 EAST MONROE INVESTORS IV, L.L.C.,
a Delaware limited liability company

By: 55 East Monroe Mezzanine IV, L.L.C.,
a Delaware limited liability company
Sole Member

By: 55 East Monroe Holdings IV, L.L.C.,
a Delaware limited liability company
Sole Member

By: WSC 55EM Investors IV, LLC
a Delaware limited liability company
Managing Member

By: Walton Acquisition REOC Holdings IV, LLC,
a Delaware limited liability company
Sole Member

By: Walton Street Real Estate Fund IV, L.P.,
a Delaware limited partnership
Managing Member

By: Walton Street Managers IV, L.P.,
a Delaware limited partnership
General Partner

By: WSC Managers IV, Inc.,
a Delaware corporation
General Partner

By: T. J. Junker
Name: Timothy J. Junker
Title: Vice President

UNOFFICIAL COPY

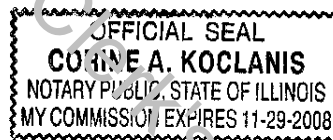
STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Timothy J. Junker, as Vice President of WSC Managers IV, Inc., a Delaware corporation, the General Partner of Walton Street Managers IV, L.P., a Delaware limited partnership, the General Partner of Walton Street Real Estate Fund IV, L.P., a Delaware limited partnership, the Managing Member of Walton Acquisition REOC Holdings IV, LLC, a Delaware limited liability company, the Sole Member of WSC 55EM Investors IV, LLC, a Delaware limited liability company, the Managing Member of 55 East Monroe Holdings IV, L.L.C., a Delaware limited liability company, the Sole Member of 55 East Monroe Mezzanine IV, L.L.C., a Delaware limited liability company, the Sole member of 55 EAST MONROE INVESTORS IV, L.L.C., a Delaware limited liability company, is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his free and voluntary act, and as the free and voluntary act of said company, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 21st day of December, 2005.

Corine A. Koclanis
Print Name: Corine A. Koclanis
Notary Public

Commission Expiration: 11/29/2008



UNOFFICIAL COPY

EXHIBIT A

LEGAL DESCRIPTION

FEE SIMPLE AS TO PARCELS 1A AND 1B AND 3; AND

(i) THE LEASEHOLD ESTATE (SAID LEASEHOLD ESTATE BEING DEFINED IN PARAGRAPH 1.c. OF THE ALTA LEASEHOLD ENDORSEMENT(S) ATTACHED HERETO), CREATED BY THAT CERTAIN INDENTURE OF LEASE MADE BY THE BAPTIST THEOLOGICAL UNION LOCATED AT CHICAGO, AN ILLINOIS CORPORATION, TO CHICAGO TITLE AND TRUST COMPANY, AN ILLINOIS CORPORATION, AS TRUSTEE UNDER TRUST AGREEMENT DATED MAY 4, 1966 AND KNOWN AS TRUST NUMBER 49367, DATED MAY 18, 1966 AND RECORDED MAY 23, 1966 AS DOCUMENT 19834981, AMENDED BY A SERIES OF AMENDMENTS, AND ASSIGNED BY A SERIES OF ASSIGNMENTS, LAST ASSIGNED TO TST 55 EAST MONROE PROPERTY, L.P., A DELAWARE LIMITED PARTNERSHIP, BY ASSIGNMENT AND TRANSFER OF INTEREST IN GROUND LEASES, BUILDING AND IMPROVEMENTS, DATED DECEMBER 30, 2002, AND RECORDED DECEMBER 31, 2002, AS DOCUMENT 0021463438, DEMISING AND LEASING FOR A TERM OF YEARS BEGINNING SEPTEMBER 1, 1968 AND ENDING AUGUST 31, 2067. (AFFECTS PARCEL 2)

THE LAND:

PARCEL 1A:

LOTS 2 AND 3 IN BLOCK 4 IN FRACTIONAL SECTION 15, ADDITION TO CHICAGO, IN SECTION 15, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 1B:

THE NORTH 54 FEET OF LOT 6 IN BLOCK 4 IN FRACTIONAL SECTION 15, ADDITION TO CHICAGO, IN SECTION 15, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE SOUTH ½ OF LOT 7 AND SUBLOTS 1, 2, 3, 4 AND 5 OF ASSESSOR'S DIVISION OF LOT 10 IN BLOCK 4 IN FRACTIONAL SECTION 15; ADDITION TO CHICAGO, IN SECTION 15, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

UNOFFICIAL COPY

THE NORTH 1/2 OF LOT 7 AND THAT PART OF LOT 6 LYING SOUTH OF THE NORTH 54 FEET THEREOF, (EXCEPT THE EAST 9 FEET OF SAID LOTS) IN BLOCK 4 IN FRACTIONAL SECTION 15, ADDITION TO CHICAGO, IN SECTION 15, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office