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<p>RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:</p> <p>DWAYNE GREEN LOAN ADMINISTRATION MANAGER BRIDGER COMMERCIAL FUNDING LLC 100 SHORELINE HIGHWAY, SUITE 100B MILL VALLEY, CALIFORNIA 94941</p>	<p>Doc#: 0635546007 Fee: \$88.00 Eugene "Gene" Moore RHSP Fee: \$10.00 Cook County Recorder of Deeds Date: 12/21/2006 10:25 AM Pg: 1 of 33</p>
<p>(SPACE ABOVE THIS LINE FOR RECORDER'S USE)</p>	



MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (INCLUDING FIXTURE FILING)

MORTGAGOR: UG PRAIRIE STONE, LP, an Illinois limited partnership

MORTGAGEE: JPMORGAN CHASE BANK, N.A.

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

Street Address of Property: NE corner of Old Sutton Rd & Columbine Blvd
Hoffman Estates, IL

Property Tax Index Number: 01-33-303-008-0000

Dated As Of December 14, 2006

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MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (INCLUDING FIXTURE FILING)

RECITALS

A. This MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (INCLUDING FIXTURE FILING) ("**Mortgage**") is being executed by UG PRAIRIE STONE, LP, an Illinois limited partnership, whose address is 120 Howard Street, Suite 450, San Francisco, California 94105, whose address is set forth above ("**Mortgagor**").

B. Mortgagor is the owner of the real property described in the attached **Exhibit "A"** ("**Real Property**").

C. This **Mortgage** is being executed by Mortgagor in favor of JPMORGAN CHASE BANK, N.A. ("**Mortgagee**"), whose address is 201 North Central Avenue, 14th Floor, AZ1-1240, Phoenix, Arizona 85004, as mortgagee and secured party.

D. All terms not specifically defined herein shall have the meanings set forth in the Loan Agreement.

DEFINITIONS

"**Action**" shall mean any legal or equitable proceeding brought before a court, tribunal, administrative court, arbitrator, mediator or other forum for alternative dispute resolution.

"**Compensation**" shall mean the definition set forth in Section 2.14 below.

"**CC&Rs**" shall mean any and all recorded agreements setting forth conditions, covenants, restrictions, easements, reservations, rights and rights of way for the Property.

"**Default Interest Rate**" shall mean the definition given to such term in the Note.

"**Event of Default**" shall mean any "**Event of Default**" or "**Default**" under and defined in the Mortgage, Loan Agreement and Note.

"**Future Advances**" shall mean the definition set forth in Section 1.3.4 below.

"**Impound Account**" shall mean the definition set forth in Section 2.17 below.

"**Improvements**" shall mean, without limitation, all present and future structures, buildings, improvements, appurtenances and fixtures of any kind on the Real Property, all apparatus, equipment and appliances used in connection with the operation or occupancy of the Real Property to the extent constituting fixtures, and all window coverings, drapes and rods, carpeting and floor coverings to the extent constituting fixtures, it being intended and agreed that all such items will be conclusively considered to be part of the Real Property conveyed by this Mortgage, whether or not attached or affixed to the Real Property.

"**Leases**" shall mean the definition set forth in Section 2.8.1.2 below.

"**Loan**" shall mean the definition set forth in Section 1.1 below.

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"**Loan Agreement**" shall mean the definition set forth in Section 1.1 below.

"**Loan Documents**" shall mean the definition set forth in Section 1.1 below.

"**Mortgage**" shall mean the definition set forth in Recital "A" above.

"**Mortgagee**" shall mean JPMORGAN CHASE BANK, N.A.

"**Mortgagor**" shall mean UG PRAIRIE STONE, LP, an Illinois limited partnership.

"**Note**" shall mean the definition set forth in Section 1.1 below.

"**Obligations**" shall mean the definition set forth in Section 1.3 below.

"**Personal Property**" shall mean the definition set forth in Section 1.2.3 below.

"**Prevailing Party**" shall mean (i) the party who brings an Action against the other after the other is in breach or default, if such Action is dismissed upon the other's payment of the sums allegedly due or upon the other's performance of the covenants allegedly breached, or (ii) the party obtains substantially the relief sought by it, whether or not such Action proceeds to a hearing, a trial on the merits, or a final judgment or determination.

"**Proceeds**" shall mean the definition set forth in Section 2.3.1 below.

"**Property**" shall mean the real and personal property described in Sections 1.2.1 through 1.2.7 below.

"**Real Property**" shall mean the real property described in the attached **Exhibit "A"**.

"**Rents**" shall mean the definition set forth in Section 2.8.1.1 below.

"**Security Deposits**" shall mean the definition set forth in Section 2.8.1.3 below.

"**Subdivision**" shall mean the definition set forth in Section 2.10.3 below.

ARTICLE 1 BASIC PROVISIONS

1.1 **Amount of Loan; Loan Documents.** Mortgagee is making a term loan to Mortgagor in an amount not to exceed Three Million Fifty Thousand Dollars (\$2,950,000.00) ("**Loan**"). The Loan is evidenced by a promissory note of even date herewith ("**Note**") executed by Mortgagor in favor of Mortgagee. The terms and conditions of the Loan are evidenced by and subject to the terms and conditions of that certain Loan Agreement of even date herewith ("**Loan Agreement**") executed by Mortgagor and Mortgagee. All present and future agreements executed by Mortgagor in favor of Mortgagee and relating to the Loan collectively shall be referred to as the "**Loan Documents**."

1.2 **Grant of Security in Property.** For the purposes of and upon the terms and conditions of this Mortgage, Mortgagor has mortgaged, given, granted, bargained, sold, alienated, enfeoffed, conveyed, confirmed, warranted, pledged, assigned and hypothecated and by these presents does hereby mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm, warrant, pledge, assign and hypothecate unto Mortgagee all estate, right, title and interest which Mortgagor

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now has or may hereafter acquire in, to, under or derived from any or all of the following ("Property"):

1.2.1 Real Property. The Real Property, and all minerals, oil, gas and other hydrocarbon substances on or under the surface of the Real Property (to the extent owned by Mortgagor), as well as all development rights, permits, licenses, air rights, water, water rights, and water stock relating to the Real Property.

1.2.2 Improvements. All items listed as "Improvements" on **Exhibit "B"** attached hereto.

1.2.3 Personal Property. The term "Personal Property" shall include: (a) all property described in **Exhibit "B"** attached hereto; (b) all "Proceeds" (as defined below in Section 2.3.1 below); and (c) all "Rents" (as described in Section 2.8.1 below).

1.2.4 Appurtenances of Real Property. All appurtenances of the Real Property and all rights of Mortgagor in and to any streets, roads or public places, easements or rights of way relating to the Real Property.

1.2.5 Rents. All Rents, and all rights of Mortgagor under all present and future leases affecting the Real Property, including but not limited to any security deposits.

1.2.6 Proceeds. All Proceeds and all claims arising on account of any damage to or taking of the Real Property or any Improvements thereon or any part thereof, and all causes of action and recoveries for any loss or diminution in the value of the Real Property or any Improvements.

1.2.7 Other Collateral. All other "Collateral" (as defined in **Exhibit "B"** below) pledged by Mortgagor as security for the Loan.

TO HAVE AND TO HOLD the Property with all rights, privileges and appurtenances thereunto belonging, and all rents, issues and profits therefrom, unto Mortgagee, its successors and assigns, forever, for the uses and purposes herein expressed.

1.3 Obligations Secured. This Mortgage secures the following obligations ("Obligations"):

1.3.1 Note Payments. Payment and performance of the Note, including all extensions, renewals and modifications of the Note.

1.3.2 Performance of the Mortgage Obligations. The performance of Mortgagor's obligations under this Mortgage and the Loan Agreement (provided, however, that the indebtedness secured hereby shall in no event exceed an amount equal to three hundred percent (300%) of the face amount of the Note).

1.3.3 Payment of Advanced Sums. The payment of all sums advanced or paid out by Mortgagee under any provision of this Mortgage, or to protect the security of this Mortgage, together with interest thereon as provided herein, should Mortgagor fail to make any payment or to do any act as herein provided in connection with the rights granted hereunder, Mortgagee, without obligation so to do and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereunder, may make any payment or do any act in such manner and to such extent as herein provided or as either may deem necessary to protect the security hereof.

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1.3.4 Payment of Future Advances. The payment of the principal and interest on all other future loans or advances made by Mortgagee to Mortgagor (or any successor in interest to Mortgagor as the owner of all or any part of the Property) when the promissory note evidencing such loan or advance specifically states that it is secured by this Mortgage ("**Future Advances**"), including all extensions, renewals and modifications of any Future Advances. The maximum lien of this Mortgage is three hundred percent (300%) of the amount of the Loan set forth on the first page of this Mortgage plus interest and attorneys' fees, costs and expenses.

1.3.5 Performance of the Loan Obligations. The performance of Mortgagor's obligations under the Loan Agreement and under all other Loan Documents including without limitation, Mortgagor's payment and/or reimbursement of costs, charges, fees and expenses reasonably incurred by Mortgagee in connection with (i) the enforcement of any of Mortgagee's rights under the Loan Documents (including court costs, reasonable attorneys' fees and expert witness charges, whether incurred in any court action, arbitration, mediation, alternative dispute resolution forum, appeal proceedings or bankruptcy proceedings involving Mortgagor or any Guarantor), (ii) Mortgagee's or any receiver's entry upon and taking possession of all or any part of the Property, (iii) any reappraisal or updated appraisal of the Property obtained by Mortgagee, either following the occurrence of an "**Event of Default**" (as defined below) or pursuant to the terms of the Loan Agreement, and (iv) Mortgagee exercising any of its rights under Article 4 below.

1.3.6 Payment of Costs and Expenses. The payment of any and all costs and expenses (together with interest on such sums at the Default Interest Rate set forth in the Note) reasonably incurred by Mortgagee in connection with entering into possession of the Property, either by a court-appointed receiver or by any other legally permissible means, assuming control with respect to the development, construction, operation, maintenance, repair and/or restoration of the Property and/or any Improvements thereon, enforcing all Leases and/or collecting all Rents due thereunder in each case, during the continuance of an Event of Default, and taking any and all other acts which Mortgagee shall reasonably determine to be reasonably necessary or desirable for the administration of the Loan and/or to enforce the provisions and carry out the purposes of the Note, the Loan Agreement, this Mortgage and/or the other Loan Documents (including without limitation any appraisal and/or appraisal review fees, environmental consulting, inspection and/or review costs, property inspection fees, consultant expenses and other similar costs).

1.3.7 Swap Obligations. The performance of any and all obligations, contingent or otherwise, whether now existing or hereafter arising, of Mortgagor to Lender or to J.P. Morgan Securities, Inc., or to any of either said party's subsidiaries or affiliates or successors arising under or in connection with any "**Swap Agreement(s)**" (as defined in the Loan Agreement) (collectively "**Swap Obligations**"). Notwithstanding any other provision of this Mortgage or any of the other Loan Documents to the contrary, J.P. Morgan Securities, Inc. (and or its affiliate) shall be the sole party to any Swap Agreement with Mortgagor, and no other party shall have any duties or obligations under or any rights, title or interest in any of the Swap Obligations of Mortgagor under any such Swap Agreement. The parties hereto acknowledge and agree that this Mortgage shall have first priority with respect to all of the Obligations secured hereby, including the Swap Obligations (all such obligations being referred to collectively as the "**Loan Obligations**"). As provided below, in the event of a foreclosure of this Mortgage, in addition, but not by way of limitation to the terms of this Mortgage, the proceeds from any foreclosure sale of the Property shall be first applied to the payment of all of Borrower's Loan Obligations.

1.3.8 Warranty of Title. Mortgagor warrants that as of the Closing Date (as defined in the Loan Agreement), except as disclosed to Mortgagee in a writing that refers to this

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warranty, Mortgagor lawfully possesses and holds fee simple title to the Property without limitation on the right to encumber, and that this Mortgage is a valid first and prior lien on the Property subject only to the matters set forth in Schedule B, Part I of the title insurance policy issued in favor of Mortgagee that ensures the priority of this Mortgage and such other matters consented to or acknowledged in writing by Mortgagee. Mortgagor, at its sole cost and expense, shall at all times keep, protect, defend, and maintain title to the Property free and clear of any liens or encumbrances that would or could impair the validity or priority of this Mortgage. Mortgagor will not do or suffer any act or omission whereby the value of said Property, or lien hereof or of any estate or title covered hereby, may be diminished or impaired in any way. Mortgagor shall timely make all required payments under any other mortgages, deeds of trust or other encumbrances which may now or hereafter affect the Property encumbered by this Mortgage and comply with all obligations hereunder. Should Mortgagor fail to make any such payment or comply with any such obligation after the expiration of any applicable notice and cure periods, Mortgagee may, without notice to or authorization from Mortgagor, and without releasing Mortgagor from any obligation hereunder or under said mortgage or other encumbrance, pay any sum which may be owing under any other mortgage or other encumbrance or otherwise cure any default of Mortgagor thereunder, and the sums so expended by Mortgagee shall be secured hereby and shall be immediately due and payable by Mortgagor to Mortgagee, and shall bear interest at the "**Default Interest Rate**" provided for in the Loan Agreement until paid.

ARTICLE 2 COVENANTS OF MORTGAGOR

To protect the security of this Mortgage, Mortgagor agrees:

2.1 Performance. To pay all indebtedness and perform all obligations that are secured by this Mortgage in accordance with their terms.

2.2 Insurance. As provided in more detail in the Loan Agreement, which insurance provisions shall control over the insurance provisions in this Mortgage if there be any inconsistency in the respective insurance provisions, to maintain and keep at all times the buildings and improvements which are now or hereafter erected upon the Property insured against loss or damage by vandalism, malicious mischief and fire with "all-risk" insurance coverage due to fire or other casualties named in standard policies of insurance and against loss or damage, if applicable, and, if it shall become customary in the county in which the Property is located, against loss or damage by war or earthquake or hurricane, all in amounts as set forth in the Loan Agreement and by an insurance company or companies or governmental agency or instrumentality approved by Mortgagee in accordance with the terms and conditions of the Loan Agreement. All policies for such insurance shall be made payable, in case of loss, to Mortgagee pursuant to standard mortgagee's loss payable endorsement, with evidence of renewal coverage delivered to Mortgagee at least thirty (30) days before the expiration date of any policy. In the event of Borrower's default hereunder, Mortgagee upon giving notice to Mortgagor may procure such insurance to be effected upon Mortgagee's interest, or upon the interest of the owners of said Property and in their names. Loss, if any, shall be made payable to Mortgagee, and Mortgagee may pay and expend for premiums for such insurance such moneys as Mortgagee may reasonably deem to be necessary. The form of all policies shall be approved by Mortgagee in its reasonable discretion. If Mortgagor is a co-insurer under any policies of fire and "**all-risk**" coverage insurance, then Mortgagor covenants and agrees that, upon request of Mortgagee at any time, it will furnish Mortgagee with satisfactory evidence of insurable value of the Improvements situated on the said Property. In addition, Mortgagor shall procure and maintain liability insurance insuring Mortgagor and, if requested, Mortgagee, against liability because of personal injury or property damage in amounts and by companies approved by Mortgagee in its reasonable discretion. At its option, in its own name, in connection with any loss reasonably estimated by Mortgagee to be in excess of One Hundred Thousand Dollars (\$100,000.00), Mortgagee

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shall be entitled to commence, appear in and prosecute any action or proceedings or to make any compromise or settlement, in connection with such loss, taking or damage.

2.3 Assignment of Proceeds.

2.3.1 Definition of Proceeds. The term "**Proceeds**" shall mean all insurance proceeds on the Property, all proceeds of a sale of all or any portion of the Property (subject in all cases to the release provisions of the Loan Agreement), and all causes of action, claims, "**Compensation**" (as defined in Section 2.14 below), awards and recoveries for any damage, condemnation or taking of all or any part of the Property or for any damage or injury to it or for any loss or diminution in value of the Property. All Proceeds are hereby assigned to and shall be paid to Mortgagee. At Mortgagee's option, Mortgagee may appear in and prosecute (either in its own name or in the name of Mortgagor) or participate in any suits or proceedings relating to any such proceeds, causes of actions, claims, compensation, awards or recoveries and may adjust, compromise or settle any claim in connection therewith.

2.3.2 Application of Proceeds. Subject to the provisions of Section 2.3.3 below, Mortgagee shall apply any Proceeds received by it as follows: first, to the payment of all of Mortgagee's reasonable costs and expenses (including but not limited to legal fees and disbursements) incurred in obtaining those sums; and, then, to the payment of the indebtedness and obligations secured by this Mortgage. Any application of such funds to the indebtedness secured hereby shall not be construed to cure or waive any "**Event of Default**" (as defined in the Loan Agreement) or invalidate any acts of Mortgagee arising out of such Event of Default.

2.3.3 Application of Insurance Proceeds. Notwithstanding the foregoing, any insurance proceeds or condemnation or eminent domain awards or any other amounts paid to or received by Mortgagee (in addition to any funds provided by Mortgagor, as set forth in Section 2.13.3 below) shall be applied to the restoration of the Property pursuant to Section 2.13 below, provided that:

- (a) The Improvements on the Property are able to be restored in their entirety with such proceeds or awards together with any other funds provided by Mortgagor;
- (b) Mortgagor is not in default under any of the Loan Documents beyond the expiration of any applicable cure periods; and
- (c) The method for disbursement of any such proceeds or awards by Mortgagee for restoration shall be subject to the terms and conditions of Section 2.13 below.

Provided, however, that nothing herein shall prevent Mortgagee from applying any such proceeds or awards and/or Mortgagor's funds in accordance with the terms of Section 2.3.2 if, as required by applicable law, Mortgagee is able to demonstrate that the Mortgagee's security for the Loan has been impaired.

2.4 Property Taxes and Assessments. Mortgagor agrees to pay when due all taxes, fees, impositions, and assessments which are or may become a lien on all or any portion of or interest in the Property or which are assessed against the Property or its rents, royalties, profits and income.

2.5 Mechanic's Liens. Mortgagor also agrees to pay when due all lawful claims and demands of mechanics, materialmen, laborers and others for any work performed or materials

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delivered with respect to the Property, subject to any provisions of the Loan Agreement permitting Mortgagor to contest any such claims or demands.

2.6 Taxation of Mortgage. In the event of the passage, after the date of this Mortgage, of any law of the State of Illinois or California, deducting from the value of land, for the purpose of taxation, any lien thereon, or changing in any way the laws now in force for the taxation of mortgages, deeds of trust or debts secured by mortgages or deeds of trust for state or local purposes or the manner of the collection of such taxes so as to affect this Mortgage, the entire principal balance under said Note, together with all accrued interest thereon, at the option of Mortgagee, without demand or notice, forthwith shall become due and payable; provided, however, that such option shall be ineffective if Mortgagor is permitted by law to pay the whole of such tax (or reimburse Mortgagee for any such amount), in addition to all other payments required hereunder, and, if on or prior to such specified date, Mortgagor does pay such tax and agrees to pay any such tax (or reimburse Mortgagee for any such amount) when hereafter levied or assessed against the Property, and such agreement shall constitute a modification of this Mortgage.

2.7 Perfection of Security. Mortgagor agrees to execute and deliver to Mortgagee, from time to time on demand and at Mortgagor's cost and expense, any documents required to perfect and continue the perfection of Mortgagee's interest in the Property, or to effect any purpose hereunder.

2.8 Assignment of Rents and Income.

2.8.1 Scope of Assignment. This assignment is intended to confer upon Mortgagee all rights, and impose upon Mortgagor all obligations, under Civil Code Section 2938 or applicable Illinois law and is intended to be construed in accordance with said statutory requirements. Mortgagor hereby absolutely and irrevocably grants, sells, assigns, transfers and sets over to Mortgagee:

2.8.1.1 Rents. All of Mortgagor's right, title and interest in and to all of the rents, issues, profits, royalties, income, cash proceeds "**Security Deposits**" (as defined below) and other benefits (collectively "**Rents**") now existing or hereafter created and affecting all or any portion of the Property or the use or occupancy thereof.

2.8.1.2 Leases. All of Mortgagor's right, title and interest in and to all leases, subleases, subtenancies, licenses, occupancy agreements and concessions covering Property or any portion thereof or space therein now or hereafter existing, including all modifications, amendments, extensions and renewals thereof, and all rights and privileges incident thereto (collectively "**Leases**").

2.8.1.3 Security Deposits. All security deposits, guaranties and other security now or hereafter held by Mortgagor as security for the performance of the obligations of the lessees under the Leases (collectively "**Security Deposits**").

2.8.2 Assignment. This assignment is intended by Mortgagor and Mortgagee to create and shall be construed to create an assignment to Mortgagee of all of Mortgagor's right, title and interest in the Rents and in the Leases. Mortgagor and Mortgagee further agree that, during the term of this assignment, the Rents shall not constitute property of Mortgagor (or of any estate of Mortgagor) within the meaning of 11 U.S.C. § 541, as amended from time to time.

2.8.3 Grant of License. By its acceptance of this assignment and so long as an uncured Event of Default shall not have occurred and be continuing hereunder,

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Mortgagee hereby grants to Mortgagor a revocable license to enforce the Leases, to collect the Rents, to apply the Rents to the payment of costs and expenses incurred in connection with any development, construction, operation, maintenance, repair and restoration of the Property, and to any indebtedness secured thereby and to distribute the balance, if any, to Mortgagor.

2.8.4 Revocation of License. Upon the occurrence of an Event of Default, and at any time thereafter during the continuance of such default, Mortgagee shall have the right to revoke the license granted to Mortgagor hereby by giving written notice of such revocation to Mortgagor. Upon such revocation, Mortgagor shall promptly deliver to Mortgagee all Rents then held by Mortgagor and Mortgagee shall thereafter be entitled (a) to enforce the Leases, to collect and receive, without deduction or onset, all Rents payable thereunder, including, but not limited to, all Rents which were accrued and unpaid as of the date of such revocation, and (b) to apply such Rents as provided in this Mortgage.

2.8.5 Appointment of Mortgagor as an Agent for Mortgagee.

2.8.5.1 Purpose of Appointment. Upon such revocation, Mortgagee may, at its option, appoint Mortgagor to act as an agent for Mortgagee for the purpose of:

2.8.5.1.1 Managing and operating the Property and paying all expenses incurred in connection therewith and approved by Mortgagee.

2.8.5.1.2 Enforcing the provisions of the Leases.

2.8.5.1.3 Collecting all Rents due thereunder.

2.8.5.2 Notice to Mortgagor to Act as Agent. If Mortgagee so elects, Mortgagee shall give written notice thereof to Mortgagor to act as agent of Mortgagee for the purpose or purposes specified in such notice. Mortgagor shall promptly comply with all instructions and directions from Mortgagee with respect thereto. Mortgagor shall not be entitled to any management fee, commission or other compensation unless expressly agreed to in writing by Mortgagee.

2.8.5.3 Deposit of Rents Collected. All Rents collected by Mortgagor as agent for Mortgagee pursuant to this Section 2.8 shall be immediately deposited in an insured account in the name of Mortgagee in a bank or other financial institution designated by Mortgagee. All Rents collected by Mortgagor and all amounts deposited in such account, including interest thereon, shall be the property of Mortgagee and Mortgagor shall not be entitled to withdraw any amount from such account without the prior written consent of Mortgagee.

2.8.5.4 Purpose of Agency. The agency hereby created shall be solely responsible for the purpose of implementing the provisions of this assignment and collecting the Rents due Mortgagee hereunder. Nothing contained herein shall place upon Mortgagee the responsibility for the management, control, operation, repair, maintenance or restoration of the Property, nor shall Mortgagee be liable under or be deemed to have assumed Mortgagor's obligations with respect to the Leases. Mortgagee may at any time terminate the agency relationship with Mortgagor by written notice to Mortgagor.

2.8.6 Collection by Mortgagee. Upon the occurrence of an Event of Default, and at any time thereafter during the continuance thereof, Mortgagee shall have the right, in addition to the rights granted pursuant to this Section 2.8, to collect all or any

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portion of the Rents assigned hereby directly or through a court-appointed receiver or pursuant to a notice to the lessees or by any other means set forth in Civil Code Section 2938(c) or applicable Illinois law. Such rights shall include without limitation any and all of the following:

2.8.6.1 Notice to Lessees to Pay Rents to Mortgagee. The right to notify the lessees under the Leases, with or without taking possession of the Property, to demand that all Rents under such Leases thereafter be paid to Mortgagee;

2.8.6.2 Enter and Possess the Property. (a) The right to enter into possession of the Property, either by a court-appointed receiver or by any other legally permissible means, (b) to assume control with respect to and to pay all expenses incurred in connection with any development, construction, operation, maintenance, repair or restoration of the Property, (c) to enforce all Leases and to collect all Rents due thereunder, and to apply all Rents received by Mortgagee as set forth herein, (d) if ordered by a court of competent jurisdiction, to amend, modify, extend, renew and terminate any or all Leases or to execute new Leases, and (e) to do all other acts which Mortgagee shall determine, in its sole discretion, to be necessary or desirable to carry out the purposes of this Assignment; and

2.8.6.3 Specific Performance. The right to specifically enforce the provisions of this assignment and, if Mortgagee shall so elect, to obtain the appointment of a receiver pursuant to and in accordance with the provisions of this Mortgage.

2.8.7 Protection of Lessees. Mortgagor and Mortgagee agree that all lessees under any Leases shall be bound by and required to comply with the provisions of this assignment. In connection therewith, Mortgagor and Mortgagee further agree as follows:

2.8.7.1 Notice to Lessees of Assignment. If requested by Mortgagee, Mortgagor shall: (i) notify each lessee under any Lease now or hereafter affecting all or any portion of the Property of the existence of this assignment and the rights and obligations of Mortgagor and Mortgagee hereunder; and (ii) provide each present or future lessee with a copy of this assignment.

2.8.7.2 Intentionally Omitted.

2.8.7.3 Occurrence of Event of Default. Upon the occurrence of an Event of Default and at any time thereafter during the continuance thereof Mortgagee may, at its option, send any lessee a notice in compliance with Civil Code Section 2938(d) or applicable Illinois law to the effect that: (i) an Event of Default has occurred and that Mortgagee has revoked Mortgagor's license to collect the Rents; (ii) Mortgagee has elected to exercise its rights under this assignment and Civil Code Section 2938(d) or applicable Illinois law; and (iii) such lessee is thereby directed to thereafter make all payments of Rents and to perform all obligations under its Lease for the benefit of Mortgagee or as Mortgagee shall direct.

2.8.7.4 Notice to Lessee to Comply with Leases. Upon receipt of any such notice from Mortgagee, each lessee is hereby instructed by Mortgagor and Mortgagee to comply with the provisions of such notice, to make all payments of Rents and to perform all obligations under the Lease to and for the benefit of Mortgagee or as Mortgagee shall direct. Such notice and direction shall remain effective until the first to occur: (i) the receipt by Lessee of a subsequent notice from Mortgagee to the effect that such Event of Default has been cured or that Mortgagee has appointed Mortgagor to act as agent for Mortgagee

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pursuant to this assignment; (ii) the appointment of a receiver pursuant to this assignment, in which event such lessee shall thereafter make payments of Rents and perform all obligations under the Leases as may be directed by such receiver; or (iii) the issuance of an order of a court of competent jurisdiction terminating this assignment or otherwise directing such lessee to pay Rents and perform its obligations in a manner inconsistent with said notice.

2.8.7.5 Lessee's Reliance on Notice from Mortgagee. Each lessee shall be entitled to rely upon any notice from Mortgagee and shall be protected with respect to any payment of Rents made pursuant to such notice.

2.8.7.6 No Duty for Lessee to Investigate. Each lessee who receives a notice from Mortgagee pursuant to this assignment shall not be required to investigate or determine the validity or accuracy of such notice or the validity or enforceability of this assignment.

2.8.7.7 No Assumption by Mortgagee of Lease Obligations. The payment of Rents to Mortgagee pursuant to any such notice and the performance of obligations under any Lease to or for the benefit of Mortgagee shall not cause Mortgagee to assume or be bound by the provisions of such Lease, including, but not limited to, any duty to return any Security Deposit to the lessee under such Lease unless and to the extent such Security Deposit was paid to Mortgagee by Mortgagor.

2.8.7.8 Assignment Binding on Lessees. The provisions of this Section 2.8.7 are expressly made for the benefit of and shall be binding on and enforceable by each lessee under any Lease now or hereafter affecting all or any portion of the Property.

2.8.8 Application of Rents; Security Deposits. All Rents received by Mortgagee pursuant to this assignment shall be applied by Mortgagee, in its sole discretion, to any of the following:

2.8.8.1 First, to pay any costs and expenses of collection of the Rents that may be incurred by Mortgagee;

2.8.8.2 Second, to pay any costs and expenses incurred by Mortgagee in connection with any development, construction, operation, maintenance, repair or restoration of the Property;

2.8.8.3 Third, to the establishment of reasonable reserves for working capital and for anticipated or projected costs and expenses of the Property, including, without limitation, capital improvements which may be necessary or desirable or required by law;

2.8.8.4 Fourth, to the payment of any indebtedness then owing by Mortgagor to Mortgagee; and

2.8.8.5 Thereafter, to remit the remainder, if any, to the person or persons entitled thereto.

2.8.8.6 In connection herewith, Mortgagor further agrees that all Rents received by Mortgagee from any lessee may be allocated, if Mortgagee so elects, to the payment of all current obligations of such lessee under its Lease and not to amounts which may be accrued and unpaid as of the date of revocation of Mortgagor's license to collect such Rents. Mortgagee may, but shall have no obligation to, pursue any lessee for the payment of

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Rents which may be due under its Lease with respect to any period prior to the exercise of Mortgagee's rights under this assignment or which may become due thereafter. Mortgagee shall not be liable to any lessee for the payment or return of any Security Deposit under any Lease unless and to the extent that such Security Deposit has been paid to and received by Mortgagee, and Mortgagor agrees to indemnify, defend and hold Mortgagee harmless from and against any and all losses, claims, damages or liabilities arising out of any claim by a lessee with respect thereto, unless and to the extent that such Security Deposit has been paid to and received by Mortgagee. Mortgagor further agrees that the collection of Rents by Mortgagee and the application of such Rents by Mortgagee to the costs, expenses and obligations referred to herein shall not cure or waive any default or Event of Default or invalidate any act (including, but not limited to, any sale of all or any portion of the Property or any property now or hereafter securing the Loan) done in response to or as a result of such Event of Default or pursuant to any notice of default or notice of sale issued pursuant to this Mortgage.

2.8.9 Covenants of Mortgagor. Mortgagor agrees as follows:

2.8.9.1 No Amendment or Termination of Leases. Mortgagor shall not enter into, amend, modify or terminate any Lease of all or any portion of the Property, except in accordance with the provisions of this Mortgage;

2.8.9.2 No Acceptance of Advance Rent. Mortgagor shall not accept advance rent in excess of one (1) month from any Lessee without the prior written consent of Mortgagee;

2.8.9.3 Delivery of Leases. Upon request by Mortgagee, Mortgagor shall provide Mortgagee with true, correct and complete copies of all Leases, together with such other information relating to the Leases or to the lessees thereunder as Mortgagee shall reasonably request; and

2.8.9.4 Mortgagee's Rights to Inspect Books and Records. Upon request of Mortgagee, Mortgagor shall make available to Mortgagee all books, records, financial statements and other information relating to the Leases, the collection of all Rents, and the disposition and disbursement thereof.

2.8.10 Priority of Assignment; Further Assurances. Mortgagor hereby represents and warrants that the assignment hereby granted is a first priority assignment and that no other assignments of all or any portion of the Rents or the Leases exist or remain outstanding. Mortgagor agrees to take such action and to execute, deliver and record such documents as may be reasonably necessary to evidence such assignment, and to establish the priority thereof and to carry out the intent and purpose thereof. If requested by Mortgagee, Mortgagor shall execute a specific assignment of any Lease now or hereafter affecting all or any portion of the Property.

2.8.11 Mortgagee Not Responsible for Mortgagor's Obligations. Nothing contained herein shall operate or be construed to obligate Mortgagee to perform any of the terms, covenants and conditions contained in any Lease or otherwise to impose any obligation upon Mortgagee with respect to any Lease, including, but not limited to, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party defendant in any action to foreclose and the estate of such Lessee shall have been thereby terminated. Prior to actual entry into and taking possession of the Property by Mortgagee, this assignment shall not operate to place upon Mortgagee any responsibility for the operation, control, care,

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management or repair of the Property or any portion thereof, and the execution of this assignment by Mortgagor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and shall be that of Mortgagor, prior to such actual entry and taking of possession.

2.8.12 Termination of Assignment. A full and complete release and reconveyance of this Mortgage shall operate as a full and complete release of all of Mortgagee's rights and interest hereunder. Upon the recordation of such release and reconveyance, this assignment shall thereafter be void and of no further effect.

2.9 Due-On-Sale Provision. The Note secured by this Mortgage provides for, among other provisions a provision restricting sale or other transfer of the Property or the ownership interest in Mortgagor.

2.10 Waste; Changes in Zoning; Subdivision.

2.10.1 No Waste Permitted; Condition and Repair of Property.

Mortgagor shall not commit any waste on the Property or take any actions that might invalidate any insurance carried on the Property. Mortgagor shall maintain the Property, and every portion thereof, in good condition and repair. Mortgagee shall have the right, but not the obligation, upon prior written notice to Mortgagor and after the expiration of any applicable notice and cure periods to enter upon and take possession of the Property and to make additions, alterations, repairs, or improvements to the Property which Mortgagee may reasonably consider necessary or proper to keep the Property in good condition and repair. Except for any demolition of existing improvements which has been approved by Mortgagee in its reasonable discretion, no improvements may be removed, demolished or materially altered without the prior written consent of Mortgagee, not to be unreasonably withheld, delayed or conditioned. No Personal Property in which Mortgagee has a security interest may be removed from the Property except in the ordinary course of business promptly replaced by similar property of at least equivalent value on which Mortgagee will immediately have a valid first lien and security interest. Mortgagor affirmatively warrants and represents that if any Improvements, or any part thereof, require inspection, repair or protection other than that given by Mortgagor, then, and in that event, Mortgagee may enter or cause entry to be made upon said property and into said building or buildings for inspection, repair or protection thereof, and such repair may be made by Mortgagee and be made or done in such manner as fully to protect the interest of Mortgagee, and any and all sums expended by Mortgagee in doing or causing to be done any of the things above authorized are secured by this Mortgage and shall be paid by Mortgagor on demand. Mortgagor shall comply with all laws, ordinances, governmental regulations, and CC&Rs affecting the Property or requiring any alteration or improvement thereof, and shall permit no violation, as to the Property, of any such law, ordinance, governmental regulation, covenant, condition or restriction affecting the Property.

2.10.2 No Change in Zoning, CC&Rs, Etc. Without the prior written consent of Mortgagee, not to be unreasonably withheld, Mortgagor shall not seek, make or consent to any change in the zoning or conditions of use of the Property. Mortgagor, at its sole cost, shall comply with and make all payments required under the provisions of any CC&Rs affecting the Property, including but not limited to those contained in any declaration and constituent documents of any condominium, cooperative or planned Unit development project on the Property. Mortgagor, at its sole cost, shall comply with all existing and future requirements of all governmental authorities having jurisdiction over the Property.

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2.10.3 Governmental Permits, Licenses and Approvals. If this Mortgage covers a subdivision or common interest development ("**Subdivision**"), as defined under any applicable law relating to the development or sale of a "**common interest development**" or a "**subdivision**," Mortgagor shall obtain, comply with and keep in effect all present and future permits, maps, bonds and other agreements required by applicable laws and regulations for the lawful construction or sale of the Subdivision lots and/or units. Mortgagor must also maintain an active sales program for the Subdivision, and, upon construction of the improvements for the Lots and/or Units, be in a position to convey insurable title to said lots and/or Units to third party purchasers.

2.11 Books and Records.

2.11.1 Books and Records Maintained by Mortgagor. Mortgagor shall keep adequate books and records of account for the Property and for its own financial affairs in a manner sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Mortgagee shall have the right to examine, copy and audit Mortgagor's records and books of account at all reasonable times and upon reasonable notice. Mortgagor will deliver to Mortgagee all financial statements for Mortgagor and the Property as required under the Loan Agreement.

2.11.2 Written Statement of Indebtedness. Mortgagor will promptly furnish from time to time, upon Mortgagee's request, a duly acknowledged written statement setting forth all amounts due on the indebtedness secured by this Mortgage and stating whether any offsets or defenses exist, and containing such other matters as Mortgagee may reasonably require.

2.12 Defend Security.

2.12.1 Defense of Mortgagee. Mortgagor shall, at its own expense, appear in and defend any action or proceeding that is reasonably likely to materially affect Mortgagee's security or the rights or powers of Mortgagee or that purports to affect any of the Property. If any action or proceedings of any kind (including but not limited to any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding) is commenced which might affect Mortgagee's interest in the Property or Mortgagee's right to enforce its security, then Mortgagee may, at their option, make any appearances, disburse any sums and take any actions as may be necessary or desirable to protect or enforce the security of this Mortgage or to remedy the failure of Mortgagor to perform its covenants, including without limitation payment on behalf of Mortgagor of any taxes, assessments, liens, insurance premiums, and repair or maintenance costs (without, however, waiving any default of Mortgagor).

2.12.2 Payment of Defense Fees and Costs. Mortgagor agrees to pay all reasonable out-of-pocket expenses of Mortgagee incurred under Section 2.12.1 above (including but not limited to fees and disbursements of counsel). Any sums disbursed or advanced by Mortgagee shall be additional indebtedness of Mortgagor secured by this Mortgage and shall be payable by Mortgagor upon demand. Any such sums so disbursed or advanced by Mortgagee or any shall bear interest at the Default Interest Rate as set forth in the Loan Agreement. This Section 2.12 shall not be construed to require Mortgagee to incur any expenses, make any appearances, or take any other actions.

2.13 Damage and Destruction. Notwithstanding anything contained herein to the contrary, if any part of the Property is damaged or destroyed by any means, including, without

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limitation, by flood, earthquake, wind or fire, Mortgagor shall promptly restore the Property to its prior undamaged condition in accordance with the following:

2.13.1 Plan of Restoration. Mortgagor shall present within one hundred twenty (120) days of such damage or destruction to Mortgagee a plan for restoration which includes, among other things, plans and specifications prepared by an architect satisfactory to Mortgagee, cost estimates and time schedules which in Mortgagee's sole discretion are satisfactory;

2.13.2 Construction Contract. Mortgagor shall enter into, with Mortgagee's prior written consent, which consent shall not be unreasonably withheld, a contract with contractor(s) providing for the complete restoration in accordance with such restoration plan previously approved by Mortgagee within one hundred eighty (180) days for "Lots" and "Units" (both as defined in the Loan Agreement) and two hundred seventy (270) days for any clubhouse facilities of such damage or destruction; and

2.13.3 Application of Insurance Proceeds. The insurance proceeds available by reason of such damage or destruction that are received by Mortgagee pursuant to Section 2.3.1 above (less Mortgagee's reasonable costs and expenses incurred in obtaining such funds) plus additional sums provided to Mortgagee by Mortgagor for restoration purposes shall be at least equal to the anticipated costs of competing such construction, which anticipated costs shall include, but not be limited to, appropriate interest reserves and contingency funds reasonably required by Mortgagee.

2.13.4 Condition to Disbursement of Proceeds. When Mortgagor has complied with all of the preceding subsections of this Section 2.13, Mortgagee shall disburse the proceeds in accordance with the terms and conditions set forth in the Loan Agreement for the for the disbursements of Loan funds.

2.14 Condemnation. Mortgagor hereby assigns to Mortgagee, as security for Mortgagor's obligations under the Loan Documents, all compensation, awards and other payments (collectively "**Compensation**") payable to Mortgagor in connection with any taking of all or any portion of the Property for public use, and any Proceeds of any related settlement regardless of whether eminent domain proceedings are instituted in connection therewith. Mortgagor shall deliver to Mortgagee immediately upon receipt all Compensation and related settlement proceeds. So long as no Event of Default has occurred and is continuing under the Loan Documents, Mortgagee will apply Compensation and related settlement proceeds in the following order of priority: **First**, to Mortgagee's expenses reasonably incurred in settling, prosecuting or defending any taking of all or any portion of the Property regardless of whether eminent domain proceedings were instituted in connection therewith; **Second**, to the repair or restoration of the Property; and **Third**, to the Obligations in any order without suspending, extending or reducing any obligation of Mortgagor to make installment payments; provided, however, that nothing herein shall prevent Mortgagee from applying Compensation and any other such proceeds or awards if, as required by applicable law, Mortgagee is able to demonstrate that its security for the Loan has been substantially impaired.

2.15 Security Agreement and Fixture Filing.

2.15.1 Mortgage Includes Security Agreement. This Mortgage is intended to be and shall constitute a Security Agreement as defined in the Illinois Commercial Code, Mortgagor being the "**Debtor**" and the Mortgagee being the "**Secured Party.**" Mortgagor hereby grants Mortgagee a security interest in any items of Personal Property described in **Exhibit "B"** attached hereto which are not herein effectively made a part of the Real Property for the purpose of securing all indebtedness and other obligations

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of Mortgagor now or hereafter secured by this Mortgage. This Mortgage shall be deemed a construction mortgage as that term is defined in Illinois's Uniform Commercial Code--Secured Transactions. Portions of the Property described herein as encumbered by the Mortgage are goods which have become or are about to become fixtures relating to the Property and Improvements described herein, and Mortgagor herein expressly covenants and agrees that the filing of this Mortgage in the real estate records of the county where the encumbered Property is located shall also operate from the time of filing therein as a financing statement filed as a fixture filing in accordance with Illinois's Uniform Commercial Code--Secured Transactions. Therefore, in accordance with the Illinois's Uniform Commercial Code, the Mortgage shall continue to be prior to any other security interest in goods on the Property that may become or are about to become fixtures for the completion of construction.

As to all or the above-described personal property which is or which hereafter becomes a "fixture" under applicable law, this mortgage constitutes a financing statement for purposes of Section 9-402 of the Illinois Uniform Commercial Code (Illinois Revised Statutes, Section 26), as amended or recodified from time to time ("UCC"), and shall constitute a "Fixture Filing" under such statutes and shall be filed in the real estate records of Cook, Illinois.

- (k) Name of Debtor: UG PRAIRIE STONE, LP, an Illinois limited partnership
 Debtor's Mailing Address: 120 Howard Street, Suite 450, San Francisco, California 94105
 Address of Property: Old Sutton & Columbine, Hoffman Estates, IL
 Name of Secured Party: JPMORGAN CHASE BANK, N.A.
 Address of Secured Party: 201 North Central Avenue, 14th Floor, AZ1-1240, Phoenix, Arizona 85004
- (l) This financing statement covers the Collateral described in this instrument.
- (m) Some of the goods are or are to become fixtures on the real property described herein.

Mortgagor is the record owner of the real property described herein upon which the foregoing fixtures and other items and types of property are located.

2.15.2 Financing Statements. Mortgagor agrees that Mortgagee is authorized to file financing and continuation statements covering the Personal Property from time to time in such form as Mortgagee may require to perfect and continue the perfection of Mortgagee's security interest with respect to said property, and to reimburse Mortgagee for any costs incurred in filing such financing statements and any continuation statements.

2.15.3 No Other Security Interest Permitted. Except as expressly permitted herein or in the Loan Documents, Mortgagor shall not create or allow the creation of any other security interest in the Personal Property, except as expressly permitted herein and in the Loan Agreement or in connection with the Subordinate Debt and except for equipment leases entered into in the ordinary course of business.

2.15.4 Rights Upon Default. Upon the occurrence of any Event of Default by Mortgagor, Mortgagee shall have the rights and remedies of a secured party under the Illinois Commercial Code, as well as all other rights and remedies available at law or in equity or as provided herein, all at Mortgagee's option.

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2.15.5 Effect of Filing of Financing Statement. Mortgagor and Mortgagee agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in any way impairing this declaration and the stated intention of the parties hereto that everything used in connection with the operation or occupancy of said property or the production of income therefrom (which is owned by Mortgagor) is and, at all times and for all purposes and in all proceedings, both legal and equitable, shall be regarded as Real Property encumbered by this Mortgage.

2.16 Indemnification of Mortgagee.

2.16.1 Indemnification. Mortgagor hereby agrees to indemnify Mortgagee against, and hold it harmless from, all losses, damages, liabilities, claims, causes of action, judgments, court costs, reasonable attorneys' fees and other legal expenses, which either may suffer or incur:

2.16.1.1 By reason of this Mortgage (excluding any regulatory or other administrative losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys fees and other legal expenses arising out of claims against Mortgagee in connection with its lending activities); or

2.16.1.2 By reason of the execution of this Mortgage or in performance of any act by Mortgagor which is required or permitted hereunder or by law; or

2.16.1.3 As a result of any failure of Mortgagor to perform Mortgagor's obligations under the Loan Documents as provided more particularly therein or herein; or

2.16.1.4 By reason of any alleged obligation or undertaking on Mortgagee's part to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other Loan Document related to the Property, the Loan or Mortgagor.

2.16.2 No Liability of Mortgagor Notwithstanding the foregoing, Mortgagor shall not be liable under Section 2.16.1 to the extent that Mortgagor establishes that such liability is attributable to the gross negligence or willful misconduct of Mortgagee.

2.16.3 Payment of Indebtedness. Mortgagor shall pay all indebtedness arising under this Section 2.16 immediately upon demand by Mortgagee, together with interest thereon from the date the indebtedness arises at the Default Interest Rate of interest set forth in the Note (after giving effect to any notice and/or cure periods). Mortgagor's duty to indemnify Mortgagee shall survive the release and cancellation of the Obligations and the release and reconveyance or any partial release or reconveyance of this Mortgage.

2.17 Insurance and Tax Impounds. Upon request of Mortgagee on or after the occurrence of an Event of Default, Mortgagor shall establish and maintain at all times while this Mortgage continues in effect an impound account ("**Impound Account**") with Mortgagee for the payment of real estate taxes and assessments and insurance on the Property and as additional security for the indebtedness secured hereby.

2.17.1 Deposit into Impound Account. If required by Mortgagee in its sole discretion after any Event of Default, Mortgagor shall deposit in the Impound Account an amount determined by Mortgagee to be necessary to ensure that there will be on deposit with Mortgagee an amount which, when added to the monthly payments subsequently

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required to be deposited with Mortgagee hereunder on account of real estate taxes, assessments and insurance premiums, will result in there always being on deposit with Mortgagee in the Impound Account an amount sufficient to pay the next due semi-annual installments of real estate taxes and assessments on the Property and the next due annual insurance premiums with respect to the Property (if paid in one installment).

(a) If required by Mortgagee in its sole discretion, after an Event of Default and commencing on the next monthly payment date under the Note following said default, and continuing thereafter on each subsequent monthly payment date under the Note, Mortgagor shall pay to Mortgagee, concurrently with and in addition to the monthly payment due under the Note and until the Note and all other indebtedness secured hereby is fully paid and performed, deposits in an amount equal to one-twelfth (1/12) of the amount of the annual real estate taxes and assessments that will next become due and payable on the Property, plus one-twelfth (1/12) of the amount of the annual premiums that will next become due and payable on insurance policies which Mortgagor is required to maintain hereunder, each as estimated and determined by Mortgagee.

(b) Notwithstanding anything to the contrary herein, if the amount of the monthly deposit being paid at any time pursuant to subsection (a) above, multiplied by the number of subsequent monthly installments, when added to the amount held on deposit at such time, will be insufficient to pay, thirty (30) days prior to delinquency, the next annual installments of insurance and taxes and assessments due and payable, then Mortgagor shall immediately deposit the amount of the deficiency, and any failure to do so shall be deemed to be an Event of Default under this Mortgage.

2.17.2 Responsibility. Mortgagor shall be responsible for ensuring the receipt by Mortgagee prior to the respective due dates for payment thereof, of all bills, invoices and statements for all taxes, assessments and insurance premiums to be paid from the Impound Account, and Mortgagee shall pay the governmental authority or other party entitled thereto directly to the extent funds are available for such purpose in the Impound Account.

2.17.3 Reliance. In making any payment from the Impound Account, Mortgagee shall be entitled to rely on any bill, statement or estimate procured from the appropriate public office or insurance company or agent without any inquiry into the accuracy of such bill, statement or estimate and without any inquiry into the accuracy, validity, enforceability or contestability of any tax, assessment, valuation, sale, forfeiture, tax lien or title or claim thereof.

2.17.4 Funds in Impound Account. The Impound Account shall not, unless otherwise explicitly required by applicable law, be or be deemed to be escrow or trust funds, but, at Mortgagee's option and in Mortgagee's discretion, may either be held in a separate account or be commingled by Mortgagee with the general funds of Mortgagee. No interest on funds contained in the Impound Account shall be paid by Mortgagee to Mortgagor. The Impound Account is solely for the protection of Mortgagee and entails no responsibility on Mortgagee's part beyond the payment of taxes, assessments and insurance premiums following receipt of bills, invoices or statements therefor in accordance with the terms hereof and beyond the allowing of due credit for the sums actually received.

(a) Upon assignment of this Mortgage by Mortgagee, any funds in the Impound Account shall be turned over to the assignee and any responsibility of Mortgagee, as assignor, with respect thereto shall terminate.

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(b) If the total funds in the Impound Account shall exceed the amount of payments actually applied by Mortgagee for the purposes of the Impound Account, such excess may be credited by Mortgagee on subsequent payments to be made hereunder or, at the option of Mortgagee, refunded to Mortgagor. If, however, the Impound Account shall not contain sufficient funds to pay the sums required when the same shall become due and payable, Mortgagor shall, within ten (10) days after receipt of written notice thereof, deposit with Mortgagee the full amount of any such deficiency. If Mortgagor shall fail to deposit with Mortgagee the full amount of such deficiency as provided above, Mortgagee shall have the option, but not the obligation, to make such deposit and all amounts so deposited by Mortgagee, together with interest thereon at the Default Interest Rate from the date incurred by Mortgagee until actually paid by Mortgagor, shall be immediately paid by Mortgagor on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note. If there is a default under this Mortgage which is not cured within any applicable grace or cure period, Mortgagee may, but shall not be obligated to, apply at any time the balance then remaining in the Impound Account against the indebtedness secured hereby in whatever order Mortgagee shall subjectively determine.

2.17.5 No Cure or Waiver. No such application of the Impound Account shall be deemed to cure any Event of Default hereunder. Upon full payment of the indebtedness secured hereby in accordance with its terms or at such earlier time as Mortgagee may elect, the balance of the Impound Account then in Mortgagee's possession shall be paid over to Mortgagor and no other party shall have any right or claim thereto.

2.18 Use of Loan Proceeds. Mortgagor covenants and agrees that all of the proceeds of the Note secured by this Mortgage will be used solely for business purposes and in furtherance of the regular business affairs of Mortgagor, and the entire principal obligation secured hereby constitutes: (a) a "Business Loan" as that term is defined in, and for all purposes of, the Illinois Interest Act, Section 815 ILCS 205/4(1)(c); and (b) "a loan secured by a mortgage on real estate" within the purview and operation of Section 815 ILCS 205/4(1)(l)..

ARTICLE 3 EVENTS OF DEFAULT

3.1 List of Events of Default. An "Event of Default" shall have occurred under this Mortgage upon the occurrence of any of the following:

3.1.1 Failure to Make Note Payments. Mortgagor fails timely to make any payment required by the Note, any Future Advances, or any of the other Loan Documents after the expiration of any applicable notice and cure periods; or

3.1.2 Breach of Loan Agreement and Mortgage Covenants. Mortgagor breaches any warranty or fails to perform any other covenant contained in the Loan Agreement, this Mortgage or any of the other Loan Documents, and does not cure that failure within the period of time, if any, that Mortgagee has granted to Mortgagor in said documents to cure that failure; or

3.1.3 Violation of Due-On-Sale Provision. Any violation of the restrictions on the transfer of the Property or the transfer of any interest in Mortgagor as set forth in Section 2.9 of this Mortgage without the prior written consent of Mortgagee; or

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3.1.4 Swap Obligations. Nonpayment by Mortgagor of any Swap Obligation when due or the breach by Mortgagor of any material term, provision or condition contained in any Swap Agreement; or

3.1.5 Notice Limiting Future Advances. If Mortgagor files for record a notice limiting the maximum amount which may be secured by this Mortgage.

3.1.6 Other Events of Default. Any other Event of Default occurs under the Loan Agreement, the Note, any other Mortgage securing Borrower's Obligations under the Loan Agreement) or any of the other Loan Documents.

3.1.7 Notice and Cure Rights. All of the Events of Default described herein shall be subject to any notice and cure provisions and any other time periods set forth in the Loan Agreement, the Note and other Loan Documents.

ARTICLE 4 REMEDIES FOR DEFAULT

4.1 List of Remedies for Default. At any time following an Event of Default, Mortgagee may, at its option, and without notice to or demand upon Mortgagor (except as may be required under applicable law):

4.1.1 Acceleration of Debt. Declare any or all indebtedness secured by this Mortgage to be due and payable immediately;

4.1.2 Enter and Possess Property. Enter onto the Property in person or by agent or by court appointed receiver, and take any and all steps which may be desirable in Mortgagee's judgment to complete any unfinished construction and/or to manage, operate, preserve, develop, maintain and protect the Property, and Mortgagee may apply any Rents, royalties, income or profits collected against the Obligations secured by this Mortgage without in any way curing or waiving any default of Mortgagor;

4.1.3 Assemble and Deliver Personal Property. Cause Mortgagor to assemble any Personal Property and deliver it to Mortgagee at a place designated by Mortgagee;

4.1.4 Judicial Foreclosure. Bring a court action to foreclose this Mortgage or to enforce its provisions or any of the indebtedness or Obligations secured by this Mortgage;

4.1.5 Other Rights and Remedies. Exercise any other right or remedy available under any of the Loan Documents or otherwise available under law or in equity, including without limitation, rights and remedies with respect to the Personal Property that are available to a Secured Party under the Illinois Uniform Commercial Code.

4.2 Sale of Property.

4.2.1 Record Notices of Default and Sale. Mortgagee shall record and give all notices required by law. After compliance with such notice requirements, and upon the expiration of such time as is required by law, Mortgagee may sell the Property upon any terms and conditions specified by Mortgagee and permitted by applicable law.

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4.2.2 Right to Postpone Sale. Mortgagee may postpone any sale by public announcement at the time and place noticed for the sale.

4.2.3 Sale of Multiple Lots/Parcels. If the Property consists of several lots or parcels, Mortgagee in its discretion may designate their order of sale or may elect to sell them through a single sale, or through two (2) or more successive sales, or in any other manner Mortgagee may elect. In the event Mortgagee elects to dispose of the Property through more than one (1) sale, Mortgagor shall pay the costs and expenses of each such sale and of any judicial proceedings wherein the same may be made. If the Property is sold at a foreclosure sale following a court ordered judicial foreclosure, the Redemption period after the foreclosure sale shall be as set forth under applicable law.

4.2.4 Right to Purchase at Non-Judicial Sale. Any person, including Mortgagor and Mortgagee may purchase at any sale, and Mortgagee shall have the right to purchase at any sale hereunder by crediting upon the bid price the amount of all or any part of the indebtedness secured hereby, provided that costs and fee payable to third parties will be paid in cash.

4.3 Waiver of Rights. Mortgagor waives all rights to direct the order in which any of the Property shall be sold in the event of any sale under this Mortgage, and also any right to have any of the Property marshaled upon any sale.

4.4 Remedies Are Cumulative. All remedies contained in this Mortgage are cumulative, and Mortgagee has all other remedies provided by law, in equity, or in any other agreement between Mortgagor and Mortgagee. No delay or failure by Mortgagee to exercise any right or remedy under this Mortgage shall be construed to be a waiver of that right or remedy or of any default by Mortgagor. Mortgagee may exercise any one (1) or more of its rights and remedies at its option without regard to the adequacy of its security.

4.5 Payment of Expenses. Mortgagor shall pay all of Mortgagee's reasonable expenses incurred in any efforts to enforce any terms of this Mortgage, whether or not any lawsuit is filed, including but not limited to legal fees and disbursements, foreclosure costs, escrow fees, filing fees, recording fees, and title charges.

4.6 No Cure or Waiver. Neither Mortgagee's nor any receiver's entry upon and taking possession of all or any part of the Property, nor any collection of Rents, issues, profits, Proceeds, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Obligation, nor the exercise of any other right or remedy by Mortgagee or any receiver shall cure or waive any breach, Event of Default or notice of default under this Mortgage, or nullify the effect of any notice of default or sale (unless all Obligations then due have been paid and performed and Mortgagor has cured all other defaults), or impair the status of the security, or prejudice Mortgagee in the exercise of any right or remedy, or be construed as an affirmation by Mortgagee of any tenancy, Lease, or option or a subordination of the lien of this Mortgage.

4.7 Power To File Notices and Cure Defaults. Subject to any notice and cure rights set forth herein or in any of the Loan Documents, Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns as Mortgagor's attorney-in-fact, which agency is coupled with an interest, (a) to execute and record any notices of completion, cessation of labor, or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest, and (b) upon the occurrence of an Event of Default, to perform any obligation of Mortgagor hereunder; provided, that (i) Mortgagee, as such attorney-in-fact, shall only be accountable for such funds as are actually received by Mortgagee, and (ii) Mortgagee shall not be liable to Mortgagor or any other person or entity for any good faith failure to act under this Section.

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

4.9 Illinois Responsible Property Transfer Act. Mortgageor covenants and agrees that, if the disclosure requirements of the Illinois Responsible Property Transfer Act, 765 ILCS 90/1 et seq. ("RPTA"), apply to the loan transaction contemplated by this Mortgage, Mortgageor will comply with RPTA and will timely execute and deliver to Mortgagee such disclosure documents as may be required by RPTA. Mortgageor agrees to place of record simultaneously with the recording of this Mortgage, any disclosure statement furnished to Mortgagee pursuant to this paragraph and also to file simultaneously therewith a true and correct copy of said disclosure statement with the Illinois Environmental Protection Agency, as and if required by law.

4.10 Maximum Rate Permitted By Law. Neither the Note, this Mortgage, nor any of the other Loan Documents shall require the payment or permit the collection of any interest or any late payment charge in excess of the maximum rate permitted by law to be charged to Borrower or Mortgageor. If any such excess interest or late payment charge is provided for under the Note, this Mortgage or any of the other Loan Documents or if the Note, this Mortgage or any of the other Loan Documents shall be adjudicated to provide for such excess, neither Borrower, Mortgageor nor Borrower's nor Mortgageor's successors or assigns shall be obligated to pay such excess, and the right to demand the payment of any such excess shall be and hereby is waived, and this provision shall control any other provision of the Note, this Mortgage or any of the other Loan Documents. If Mortgagee shall collect amounts which are deemed to constitute interest and which would increase the effective interest rate to a rate in excess of the maximum rate permitted by law to be charged to Borrower or Mortgageor, all such amounts deemed to constitute interest in excess of the maximum legal rate shall, upon such determination, at the option of Mortgagee, be returned to Borrower or Mortgageor or credited against the outstanding principal balance of the Note.

ARTICLE 5 MISCELLANEOUS

5.1 Invalidity. The invalidity or unenforceability of any one (1) or more provisions of this Mortgage will in no way affect any other provision.

5.2 Statement. Mortgageor agrees to pay Mortgagee a reasonable charge, not to exceed the maximum allowed by law, for giving any statement of the status of the Obligations secured by this Mortgage.

5.3 Notices. All notices given under this Mortgage must be in writing and will be effectively served upon personal delivery or, if mailed, no later than forty-eight (48) hours after deposit in first class or certified United States mail, postage prepaid, sent to Mortgagee at its address appearing in the recording information block on the front page of this Mortgage, which address may be changed by written notice. However, the service of any notice of default or notice of sale under this Mortgage as required by law will, if mailed, be effective on the date of mailing.

5.4 Rights of Mortgagee to Release Debtors or Security. Without affecting Mortgageor's liability for the payment of any of the indebtedness secured by this Mortgage, Mortgagee may from time to time and without notice to Mortgageor (a) release any person liable for the payment of this indebtedness, (b) extend or modify the terms of that indebtedness with Mortgageor's written consent, (c) accept additional real or personal property of any kind as security, or alter, substitute or release any property securing that indebtedness, or (d) cause Mortgagee to consent to the making of any map or plat of the Property, or to reconvey any part of the Property, or to join in granting any

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easement or creating any restriction on the Property, or to join in any subordination or other agreement affecting this Mortgage.

5.5 Inspection Rights. Mortgagee may at any reasonable times enter upon and inspect the Property in person or by agent.

5.6 Defeasance. This Mortgage is made upon the express condition that, if Mortgagor pays to Mortgagee the principal of and interest on the Indebtedness, in accordance with the provisions of the Loan Agreement, this Mortgage and all other Loan Documents, at the times and in the manner specified, without deduction, fraud or delay, and Mortgagor performs and complies with all agreements, conditions, covenants, provisions and stipulations contained herein and in the other Loan Documents, then this Mortgage and the estate hereby granted shall cease and become void, and upon payment to Mortgagee of all costs and expenses incurred for the preparation of the release hereinafter referenced and all recording costs if allowed by law, Mortgagee shall promptly satisfy and release this Mortgage of record and the lien hereof by proper instrument.

5.7 Governing Law; Consent to Jurisdiction. Mortgagor agrees as provided below, the Loan Documents shall be governed by, and shall be construed and enforced in accordance with, the internal laws of the State of California (without regard to conflicts of laws principles) as to interpretation, enforcement, validity, construction, effect and in all other respects. Mortgagor hereby:

5.7.1 consents and submits to the jurisdiction of any local, state or federal court located within the County of Sacramento, State of California and/or the County of Cook, State of Illinois, and hereby irrevocably agrees that, subject to Mortgagee's election, all actions or proceedings in any way, manner or respect arising out of, from or relating to the Loan Documents, shall be litigated in such courts;

5.7.2 accepts, generally and unconditionally, the nonexclusive jurisdiction of such courts, waives any defenses of forum non conveniens, and irrevocably agrees to be bound by any final, nonappealable judgment rendered thereby in connection with any of the Loan Documents;

5.7.3 with respect to the foregoing choice of law, agrees that the State of California has a substantial relationship to the parties, to the Loan and to the transactions evidenced by the Loan Documents; and,

5.7.4 in all respects (including without limitation matters of construction, validity and performance), agrees that the Loan Documents and the obligations arising thereunder shall be governed by, and construed in accordance with, the laws of the State of California applicable to contracts made and performed in such state and any applicable law of the United States of America; except that at all times:

(a) enforcement of the real property liens created pursuant to the Loan Documents on that portion of the collateral at any time securing payment of the loan which is subject to Illinois' real property and foreclosure laws and rules shall be governed by and construed according to the law(s) of the state(s) in which the applicable portion of such collateral is located;

(b) enforcement of the liens created pursuant to the Loan Documents on that portion of the collateral at any time securing payment of the loan which is not subject to the Uniform Commercial Code shall be governed by and construed according to the law(s) of the state(s) in which the applicable portion of such collateral is located;

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(c) enforcement of the liens and security interests created pursuant to the Loan Documents on that portion of the collateral at any time securing payment of the loan which is subject to the Uniform Commercial Code shall be governed and construed by the laws of the State of California and Illinois, as applicable, but the provisions for the perfection of such liens shall be governed by and construed according to the laws of the state whose law is designated as the governing law pursuant to the Uniform Commercial Code of the State of California;

it being understood that, to the fullest extent permitted by the laws of the States of California and Illinois, the laws of the State of California shall govern the validity and the enforceability of the Loan Documents and the indebtedness and obligations arising thereunder. Mortgagor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

5.8 Subsequent Mortgagors and Beneficiaries/Mortgagees. The term "Mortgagor" includes both the original Mortgagor and any subsequent owner or owners of any of the Property, and the term "Mortgagee" includes the original mortgagee hereunder and also any future owner or holder, including pledges and participants, of the Note or any interest therein.

5.9 Headings; Underlining. The headings of the Articles and Sections of this Mortgage are for convenience only and do not limit its provisions. The use of underlining in this Mortgage is for convenience only, and the parties understand and agree that the presence or absence of underlining shall not be used in interpreting or construing this Mortgage or any provision hereof.

5.10 Waiver. Neither the acceptance of any partial or delinquent payment or performance, nor the failure to exercise any rights upon a default, shall be a waiver of Mortgagor's obligations hereunder. Mortgagee's consent to any act or omission by Mortgagor will not be a consent to any other or subsequent act or omission or a waiver of the need for such consent in any future or other instance.

5.11 Successors and Assigns. The terms of this Mortgage shall bind and benefit heirs, legal representatives, successors and assigns of Mortgagor and Mortgagee.

5.12 Joint and Several Liability. If Mortgagor consists of more than one (1) person or entity, each shall be jointly and severally liable to perform the obligations of Mortgagor.

5.13 Intentionally Omitted.

5.14 Intentionally Omitted.

5.15 Subrogation. Mortgagee shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Mortgagee pursuant to this Mortgage or by the proceeds of any loan secured by this Mortgage.

5.16 Statutes of Limitation. Mortgagor hereby waives the pleading of any and all statutes of limitation as a defense to any action brought against Mortgagor by Mortgagee, to the fullest extent permitted by law.

5.17 Time of the Essence. Time is of the essence as to all Obligations secured by or arising under this Mortgage.

5.18 Requests For Notice. Mortgagor requests that a copy of any notice of default and notice of sale required by law be mailed to it at its address set forth above.

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5.19 Attorneys' Fees. The Prevailing Party in any Action shall recover all attorneys' fees reasonably incurred by said Prevailing Party in connection with any default hereunder and in any proceeding brought to enforce any of the provisions of this Mortgage.

5.20 Partial Release. Any partial release of any portion of the Real or Personal Property shall be made pursuant to the terms and conditions of Section 4.3 of, the Loan Agreement.

5.21 Savings Clause. Regardless of any provision contained in this Mortgage, the Loan Documents, or any documents executed or delivered in connection therewith, Mortgagee will never be considered to have contracted for or to be entitled to charge, receive, collect, or apply as interest, and hereby disavows any intention to so receive, collect, or apply as interest, any amount in excess of the maximum amount permissible under applicable law. Without limiting its general applicability, the preceding sentence specifically applies to any acceleration of the Obligations or any part thereof. In the event that Mortgagee ever receives, collects, or applies as interest any such excess, the amount which would be excessive interest will be applied to the reduction of the principal balance of the Obligations, and if the principal balance of the Obligations is paid in full, any remaining excess shall forthwith be paid to Mortgagor, and Mortgagor agrees to accept such payment from Mortgagee, together with interest on such sums at the maximum lawful rate then in effect. In determining whether the interest paid or payable exceeds the maximum amount permissible under applicable law, Mortgagor and Mortgagee shall, to the greatest extent permitted under applicable law:

- (a) Characterize any non-principal payment (other than payments which are expressly designated as interest payments hereunder) as an expense or fee rather than as interest;
- (b) Exclude voluntary prepayments and the effect thereof; and
- (c) Amortize, prorate, allocate, and spread the total amount of interest throughout the entire contemplated term of the Obligations so that the interest rate is uniform throughout the term.

5.22 Limitation on Power of Attorney. Notwithstanding any provision herein to the contrary, no power of attorney granted in this Mortgage authorizes Mortgagee or any other party to waive service of process, confess judgment, "release errors," release the right of appeal or consent to the issuance of extension on any judgment of the Note and the Obligation.

THIS MORTGAGE SECURES AN ADJUSTABLE RATE PROMISSORY NOTE. THIS MORTGAGE IS A FIRST MORTGAGE. NO FURTHER MORTGAGES OR DEEDS OF TRUST WILL BE RECORDED AGAINST THE REAL PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF MORTGAGEE. FAILURE TO COMPLY WITH THIS PROVISION SHALL CONSTITUTE AN EVENT OF DEFAULT AND THE LOAN SHALL IMMEDIATELY BECOME DUE AND PAYABLE. CONSENT TO ONE (1) FURTHER ENCUMBRANCE SHALL NOT BE DEEMED TO BE A WAIVER OF THE RIGHT TO REQUIRE SUCH CONSENT TO FUTURE OR SUCCESSIVE ENCUMBRANCES.

[Signature appears on following page.]

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IN WITNESS WHEREOF, the undersigned have executed this Mortgage as of the date first above written.

MORTGAGOR:

UG PRAIRIE STONE, LP, an Illinois limited partnership

By: UG Properties, LLC, a California limited liability company, its general partner

By: WL & Associates Realty Advisors, Inc., a Georgia corporation, its managing member

By: 

Name: John Walsey

Title: President

Property of Cook County Clerk's Office

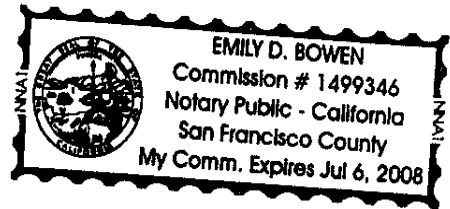
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State of California)
County of San Francisco) ss.

On 12/14/06 before me, Emily Bowen, the undersigned Notary Public, personally appeared John Waisey, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Emily Bowen (Seal)



State of _____)
County of _____) ss.

On _____ before me, _____, the undersigned Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

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EXHIBIT "A"
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN COOK COUNTY, ILLINOIS, AND IS DESCRIBED AS FOLLOWS:

LOT 6A IN FINAL PLAT OF RESUBDIVISION OF LOTS 5 AND 6 IN SEARS BUSINESS PARK AMENDED PLAT OF SUBDIVISION, BEING A RESUBDIVISION OF PART OF SECTIONS 32 AND 33, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 20, 2001 AS DOCUMENT NUMBER 0010323867, IN COOK COUNTY, ILLINOIS.

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EXHIBIT "B"

Description of Personal Property for Fixture Filing

1. Real Property Rights, Appurtenances and Improvements. All present and future structures, buildings, improvements and fixtures of any kind on the real property described in the attached **Exhibit "A"** ("**Real Property**"), which is incorporated herein by this reference, as well as: (a) all appurtenances of the Real Property and all rights in and to any streets, roads or public places, easements or rights of way, relating to the Real Property, and all minerals, oil, gas and other hydrocarbon substances on or under the surface of the Real Property, as well as all development rights, permits, licenses, air rights, water and water rights relating to the Real Property, and all existing and future goods and tangible personal property located on the Real Property or wherever located and used or useable in connection with the use, operation or occupancy of the Real Property or in construction of any improvements thereon, including, but not limited to, apparatus, equipment and appliances used to supply air cooling, air conditioning, heat, gas, water, light, power, refrigeration, ventilation, laundry, drying, dishwashing, garbage disposal, waste removal, recreation or other services on the Real Property; and (b) all elevators, escalators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, partitions, ducts, compressors, plumbing, ovens, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, pools and spas and pool and spa operation and maintenance equipment and apparatus; and (c) all trees and plants located on the Real Property, and all renewals or replacements thereof or articles in substitution thereof; it being intended and agreed that all such items will be conclusively considered to be part of the Real Property, whether or not attached or affixed to the Real Property ("**Improvements**").

2. Collateral. All right, title and interest in and to the following described property and any and all products and proceeds thereof, now owned or hereafter acquired (sometimes all of such being collectively referred to herein as the "**Collateral**"):

(a) General Intangibles. All general intangibles relating to design, development, operation, management and use of the Real Property and construction of the Improvements, including, but not limited to: (i) all names under which or by which the Real Property or the Improvements may at any time be operated or known, all rights to carry on business under any such names or any variants thereof, and all goodwill in any way relating to the Real Property; (ii) all permits, licenses, authorizations, variances, land use entitlements, approvals and consents issued or obtained in connection with the construction, maintenance or operation of the Improvements; (iii) all permits, licenses, approvals, consents, authorizations, franchises and agreements issued or obtained in connection with the use, occupancy or operation of the Real Property; (iv) all rights as a declarant (or its equivalent) under any covenants, conditions and restrictions or other matters of record affecting the Real Property; (v) all materials prepared for filing or filed with any governmental agency; (vi) all rights under any contract in connection with the development, design, use, operation, management and construction of the Real Property and/or the Improvements; and (vii) all books and records prepared and kept in connection with the acquisition, construction, operation and occupancy of the Real Property and the Improvements;

(b) Contracts. All construction, service, management, engineering, consulting, leasing, architectural, design, landscape and other similar contracts of any nature, as such may be modified, amended or supplemented from time to time, concerning the design, construction, management, operation, occupancy, use, and/or disposition of any portion of or all of the Real Property;

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- (c) **Plans and Reports.** All architectural, design and engineering drawings, plans, specifications, working drawings, shop drawings, general conditions, addenda, soil tests and reports, feasibility studies, appraisals, engineering reports, environmental reports and similar materials relating to any portion of or all of the Real Property and/or the Improvements and all modifications, supplements and amendments thereto;
- (d) **Sureties.** All payment and performance bonds or guarantees, and any and all modifications and extensions thereof relating to the Real Property and/or the Improvements;
- (e) **Payments.** All reserves, deferred payments, deposits, refunds, cost savings, letters of credit and payments of any kind relating to the construction, design, development, operation, occupancy, use and disposition of all or any portion of the Real Property and/or the Improvements, including, without limitation, any property tax rebates now owing or hereafter payable;
- (f) **Loan Proceeds.** All proceeds of the loan in Mortgagor's possession or control secured hereby;
- (g) **Claims.** All proceeds and any claims arising on account of any damage to or taking of the Real Property and/or the Improvements or any part thereof, and all causes of action and recoveries for any loss or diminution in the value of the Real Property and/or the Improvements;
- (h) **Insurance.** All policies of, and proceeds resulting from, insurance relating to the Real Property, Improvements or any of the Collateral, and any and all riders, amendments, renewals, supplements or extensions thereof, and all proceeds thereof;
- (i) **Deposits.** All deposits made with or other security given to utility companies with respect to the Real Property and/or the Improvements, and all advance payments of insurance premiums made with respect thereto and claims or demands relating to insurance and all deposit accounts wherever located;
- (j) **Stock.** All shares of stock or other evidence of ownership of any part of the Real Property that are owned in common with others, including all water stock relating to the Real Property, if any, and all documents or rights of membership in any owners' or members' association or similar group having responsibility for managing or operating any part of the Real Property and/or the Improvements.
- (k) **Sale Contracts.** All sales contracts, escrow agreements and broker's agreements concerning the sale of any or all of the Real Property and/or the Improvements, and all amendments thereto; and
- (l) **Income.** All income rents, revenues, issues, deposits, receipts, profits and proceeds, and accounts receivable generated from the use and operation, of the Real Property, the Improvements and the Collateral to which Mortgagor may be entitled, whether now due, past due or to become due including, without limiting the above items, all "**Goods**", "**Accounts**", "**Documents**", "**Instruments**", "**Money**", "**Chattel Paper**" and "**General Intangibles**", as those terms are defined in the Illinois Commercial Code from time to time in effect.

ATTENTION: COUNTY CLERK/RECORDER — THIS INSTRUMENT COVERS GOODS THAT ARE OR ARE TO BECOME FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN AND IS TO BE FILED FOR RECORD IN THE RECORDS WHERE DEEDS OF TRUST AND MORTGAGES ON REAL ESTATE ARE RECORDED.

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ADDITIONALLY, THIS INSTRUMENT SHOULD BE APPROPRIATELY INDEXED, NOT ONLY AS A DEED OF TRUST OR MORTGAGE, BUT ALSO AS A FINANCING STATEMENT COVERING GOODS THAT ARE OR ARE TO BECOME FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN. THE MAILING ADDRESSES OF THE MORTGAGOR (DEBTOR) AND MORTGAGEE (SECURED PARTY) ARE SET FORTH IN THIS INSTRUMENT.

Property of Cook County Clerk's Office