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

made by

SMLTCB LANSING, LLC,
a Delaware limited liability company
(Mortgagor)

to

EUROHYPO AG, NEW YORK BRANCH, AS ADMINISTRATIVE AGENT
(Mortgagee)

Dated: As of December 20, 2006

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

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage") is made as of the 20th day of December, 2006 by SM LTCB LANSING, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware and having an office at c/o Coventry Real Estate Advisors, 1 East 52nd Street, 4th Floor, New York, New York 10022 ("Mortgagor"), to EUROHYPO AG, NEW YORK BRANCH, having an office at 1114 Avenue of the Americas, New York, New York 10036, as Administrative Agent for the lenders referred to below (in such capacity, together with its successors in such capacity, "Mortgagee").

WITNESSETH:

WHEREAS, Mortgagor is the fee owner of that certain tract of land located in the County of Cook, State of Illinois and being more fully described in Exhibit A attached hereto (the "Land").

WHEREAS, Mortgagor, the other parties listed on Exhibit C attached hereto (together with Mortgagor, each, a "Borrower" and, collectively, the "Borrowers"), certain lenders (collectively, the "Lenders") and Mortgagee are parties to that certain Loan Agreement dated as of the date hereof (said Loan Agreement, as modified and supplemented and in effect from time to time, being herein called the "Loan Agreement"; and except as otherwise herein expressly provided, all terms defined in the Loan Agreement are being used herein as defined therein), which Loan Agreement provides, among other things, for certain Loans to be made by the Lenders to Borrowers in an aggregate principal amount not exceeding \$138,590,283.00 to be evidenced by, and repayable with interest thereon in accordance with, various Notes.

WHEREAS, it is a condition to the obligation of the Lenders to extend credit to Borrowers pursuant to the Loan Agreement that Mortgagor execute and deliver this Mortgage as one of the "Mortgages" defined in the Loan Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated into the operative provisions of this Mortgage by this reference, and for other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged,

To secure the payment of an indebtedness in the principal sum of ONE HUNDRED THIRTY-EIGHT MILLION FIVE HUNDRED NINETY THOUSAND TWO HUNDRED EIGHTY-THREE DOLLARS (\$138,590,283.00), lawful money of the United States of America to be paid with interest (including, without limitation, any Additional Interest under any Hedge Agreement to the extent provided in the Loan Agreement) according to the Notes, and the payment and performance of all other Obligations (defined below) of Mortgagor hereunder, Mortgagor has mortgaged, given, granted, bargained, sold, alienated, conveyed, confirmed, pledged, assigned and hypothecated and by these presents do mortgage, give, grant, bargain, sell, alienate, convey, confirm, pledge, assign, warrant and hypothecate unto Mortgagee, and Mortgagee's successors and assigns, with POWER OF SALE AND RIGHT OF ENTRY

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AND POSSESSION, all right, title, interest and estate of Mortgagor, now owned, or hereafter acquired, in and to the following property, rights and interests (such property, rights and interests being collectively referred to herein as the "Mortgaged Property"), subject only to the Permitted Encumbrances (as defined below):

- (a) the Land;
- (b) any and all buildings, constructions and improvements now or hereafter erected or located in or on the Land or any portion thereof, including all Equipment (defined below) and other articles now or hereafter attached or affixed thereto or located thereon and owned or ground leased by Mortgagor, together with all appurtenances and additions thereto and betterments, renewals, substitutions and replacements thereof (collectively, the "Improvements"), all of which shall be deemed and construed to be part of the realty;
- (c) all of the estate, rights, title, interest, claims or demands of any nature whatsoever of Mortgagor, whether in law or in equity, in possession or expectancy, in and to the Mortgaged Property or any part thereof;
- (d) all easements, streets, rights-of-way, strips and gores of land, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Mortgaged Property (including any and all development rights, air rights, signage rights, rights under trackage agreements, mineral, mining, oil and gas rights and rights to produce or share in the production of anything related thereto and similar or comparable rights of any nature whatsoever now or hereafter appurtenant to the Premises (defined below) or now or hereafter transferred to the Premises) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy property, possessions, claims and demands whatsoever, both at law and in equity, of Mortgagor of, in and to the Mortgaged Property, and every part and parcel thereof, with the appurtenances thereto (collectively, the "Appurtenances"; the Land, the Improvements and the Appurtenances being referred to herein, collectively, as the "Premises");
- (e) all machinery, apparatus, equipment, fittings, fixtures (including all heating, air conditioning, plumbing, lighting, communications and elevator fixtures) and other property of every kind and nature whatsoever owned or leased by Mortgagor, or in which Mortgagor has or shall have an interest, now or hereafter located upon the Mortgaged Property, or appurtenant thereto, or useable in connection with the present or future operation and occupancy of the Mortgaged Property and all building equipment, materials and supplies of any nature whatsoever owned by Mortgagor, or in which Mortgagor has or shall have an interest, now or hereafter located upon the Mortgaged Property, including all such items that do not constitute personal property under the laws of the State of Illinois (herein collectively referred to as the "Equipment"), and the right, title and interest of Mortgagor in and to any of the Equipment that may be subject to any security agreements (as defined in the Uniform Commercial Code of the State of Illinois, 810 ILCS 5/1 et seq. (together with the Uniform Commercial Code of any

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other applicable jurisdiction, the “Uniform Commercial Code”), superior or inferior or pari passu in lien to the lien of this Mortgage;

(f) all awards or payments, including interest thereon, and the right to receive the same, which may heretofore or hereafter be made with respect to the whole or part of the Mortgaged Property, whether from the exercise of the right of eminent domain (including any proceeding or transfer in lieu of or in anticipation of the exercise of such right), or for any other injury to or decrease in the value of the Mortgaged Property, including any award resulting from a change of any streets (whether as to grade, access or otherwise) and any award for severance damages;

(g) all tax refunds, including interest thereon, and tax abatements, and the right to receive the same, which may be payable or available with respect to the Mortgaged Property;

(h) all leasehold estates, leases, ground leases, subleases, licenses, concessionaire agreements, bailments or other agreements affecting the use, enjoyment or occupancy of the Mortgaged Property or any portion thereof now or hereafter existing or entered into (including any use or occupancy arrangements created pursuant to Section 365(d) of Title 11 of the United States Code (the “Bankruptcy Code”) or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings, or any assignment for the benefit of creditors, in respect of any tenant or occupant of any portion of the Mortgaged Property (a “Tenant”)) and all extensions, amendments and modifications thereto heretofore or hereafter entered into (collectively, the “Leases”), and all right, title and interest of Mortgagor thereunder, including all guaranties thereof;

(i) all rents, issues, profits, royalties, use and occupancy charges (including all oil and gas or other mineral royalties and bonuses), income and other benefits now or hereafter derived from any portion of the Mortgaged Property or the use or occupancy thereof (including any payments received pursuant to Section 502(b) of the Bankruptcy Code or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings, or any assignment for the benefit of creditors, in respect of any Tenant of any portion of the Mortgaged Property and all claims as a creditor in connection with any of the foregoing) and all cash or security deposits, advance rentals, and all deposits or payments of a similar nature relating thereto (collectively, the “Rents”);

(j) all proceeds of and any unearned premiums on any insurance policies that may now or hereafter cover the Mortgaged Property, including the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damage to the Mortgaged Property;

(k) all right, title and interest of Mortgagor in, to and under all plans, specifications, maps, surveys, studies, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies and other documents, of whatever

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kind or character, relating to the use, development, construction upon, occupancy, leasing, sale or operation of the Mortgaged Property;

(l) all the fixtures and, to the extent the same constitutes an interest in real property, all of the property described in Exhibit B attached hereto, now owned or hereafter acquired by Mortgagor, and all appurtenances and additions thereto and betterments, renewals, substitutions and replacements thereof (collectively, the “Fixtures”); and, if the lien and security interest of this Mortgage is subject to any security interest in such property, all right, title and interest of Mortgagor now owned or hereafter arising in and to any and all such property is hereby assigned to Mortgagee, together with the benefits of all deposits and payments now or hereafter made thereon by or on behalf of Mortgagor. Notwithstanding the foregoing, “Fixtures” shall not include any property which any Tenant is entitled to remove pursuant to the Leases;

(m) all right, title and interest now owned or hereafter acquired by Mortgagor in and to all options to purchase or ground lease the Mortgaged Property or any portion thereof or interest therein, and in and to any greater estate in the Premises or any other Mortgaged Property; and

(n) the right, in the name and on behalf of Mortgagor, to appear in and defend any action or proceeding brought with respect to the Mortgaged Property, and to commence any action or proceeding to protect the interest of Mortgagee and the Lenders in the Mortgaged Property.

As used herein, “Permitted Encumbrances” shall mean, collectively, (i) the liens and security interests in favor of Mortgagee created by the Loan Documents, (ii) all liens, encumbrances and other matters disclosed in the policy of title insurance insuring the liens of this Mortgage, (iii) liens, if any, for Taxes or Other Property Charges not yet due and payable or delinquent or which are being diligently contested in good faith in accordance with the terms and provisions of the Loan Agreement, (iv) liens in respect of property or assets imposed by law which were incurred in the ordinary course of business, such as carriers’, warehousemen’s, landlord’s, mechanic’s, materialmen’s, repairmen’s and other similar liens arising in the ordinary course of business, and liens for workers’ compensation, unemployment insurance and similar programs, in each case arising in the ordinary course of business which are either not yet due and payable or are being diligently contested in good faith in accordance with the terms and provisions of the Loan Agreement, (v) Approved Leases, (vi) such other title and survey exceptions as Mortgagee has approved in writing or may expressly approve in writing in Mortgagee’s sole discretion, (vii) any liens permitted under the Loan Agreement, and (viii) easements, rights-of-way, restrictions, and other similar encumbrances (including any of such matters incurred or entered into by the Mortgagor in the ordinary course of business to the extent Mortgagor is permitted to do so in accordance with the provisions of this Mortgage and the other Loan Documents) which in the case of each of clauses (i) through (viii) above do not impair the use or operations of the Mortgaged Property or impair Mortgagor’s ability to pay its obligations in a timely manner.

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

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ARTICLE 1

OBLIGATIONS

Section 1.01 Obligations. This Mortgage is executed, acknowledged and delivered by Mortgagor to secure and enforce the following obligations (collectively, the "Obligations"):

- (a) Payment of the entire unpaid principal amount of the Notes, together with all interest (including, without limitation, any Additional Interest) accrued and unpaid thereon, and all other amounts that may or shall become due and owing under this Mortgage, the Notes, the Loan Agreement, any Hedge Agreement (but only if entered into with the Administrative Agent or any Affiliate thereof pursuant to the terms of the Loan Agreement) and payment of all of Borrowers' obligations under the other Loan Documents, including all sums advanced pursuant to the terms of this Mortgage to protect and preserve the Mortgaged Property and the lien and security interest hereby created therein at the time and in the manner provided therein for such payment;
- (b) Full and prompt performance of every obligation, covenant and agreement of any Borrower arising under or in connection with this Mortgage, the Notes, the Loan Agreement and all other Loan Documents at the time and in the manner provided therein for such performance;
- (c) Payment of all other indebtedness and liabilities and performance of all other obligations of any Borrower to Mortgagee and the Lenders arising pursuant to or in connection with this Mortgage or any other Loan Document (including without limitation any Hedge Agreement, but only if entered into with the Administrative Agent or any Affiliate thereof pursuant to the terms of the Loan Agreement); and
- (d) All renewals, extensions, amendments, modifications, consolidations and changes of, or substitutions or replacements for, all or any part of the items described under clauses (a) through (c) above.

Notwithstanding any provision of any Loan Documents, this Mortgage does not and shall not secure any obligations of the Guarantors under the Guaranty.

ARTICLE 2

PARTICULAR COVENANTS AND AGREEMENTS OF MORTGAGOR

Section 2.01 Payment of Secured Obligations. Mortgagor shall pay and perform the Obligations in full in accordance with the terms of the Notes, the Loan Agreement and the other Loan Documents.

Section 2.02 Title, etc.

- (a) Mortgagor represents and warrants that (i) Mortgagor is lawfully seized and possessed of good, marketable and insurable fee simple title to the Premises

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and good sufficient and legal title to all other portions of the Mortgaged Property, in each case subject to no Liens other than Permitted Encumbrances and (iii) it has the full power and lawful authority to grant, bargain, sell, release, convey, warrant, assign, transfer, mortgage, pledge, set over and confirm unto Mortgagee the Mortgaged Property as hereinabove provided.

(b) Prior to the release of this Mortgage, Mortgagor shall, at Mortgagor's sole cost and expense, preserve Mortgagor's title to the Mortgaged Property and the validity, enforceability and first priority of the lien of this Mortgage (subject to the Permitted Encumbrances) and shall forever warrant and defend the same to Mortgagee against the claims of each and every Person claiming or threatening to claim the same or any part thereof.

(c) If the lien or security interest created by this Mortgage, or the validity, enforceability or priority thereof or of this Mortgage, or if title or any of the rights of Mortgagor, Mortgagee or any Lender in or to the Mortgaged Property, shall be endangered or questioned, or shall be attacked directly or indirectly, or if any action or proceeding is instituted against Mortgagor or Mortgagee with respect thereto, Mortgagor will promptly notify Mortgagee thereof and will diligently take such action as may be required to cure any defect that may be developed or claimed, and will take all necessary and proper steps for the defense of such action or proceeding, including the employment of counsel, the prosecution or defense of litigation and (subject to Mortgagee's approval, not to be unreasonably withheld or delayed) the release or discharge of any and all adverse claims. Mortgagee shall have the right to appear in and defend any such actions or proceedings (whether or not originally named as a party to such actions or proceedings) and is hereby authorized and empowered (but shall not be obligated) to take such additional steps as it may deem necessary or proper, in the name and on behalf of Mortgagor, for the defense of any such action or proceeding or the protection of the lien, security interest, validity, enforceability or priority of this Mortgage or of such title or rights, including the employment of counsel, the institution, prosecution or defense of litigation, the compromise, release or discharge of such adverse claims, the purchase of any tax title and the removal of such prior liens and security interests.

Section 2.03 Further Assurances; Filing; Re Filing; etc.

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

(b) Mortgagor, immediately upon the execution and delivery of this Mortgage, and thereafter from time to time, shall cause this Mortgage, any security agreement or mortgage supplemental hereto and each instrument of further assurance to be executed, acknowledged, filed, registered or recorded and refiled, re-registered or re-recorded in such manner and in such places as may be reasonably required by Mortgagee or by any present or future law in order to publish notice of and perfect the lien and estate of this Mortgage upon, and security interest in, the Mortgaged Property.

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(c) Mortgagor shall pay all filing, registration and recording fees, all re-filing, re-registration and re-recording fees, and all expenses incident to the execution, filing, recording and acknowledgment of this Mortgage, any security agreement or mortgage supplemental hereto and any instrument of further assurance, and all Federal, state, county and municipal stamp taxes, mortgage taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery, filing and recording of the Notes, this Mortgage, the Loan Agreement or any of the other Loan Documents, any security agreement or mortgage supplemental hereto or any instruments of further assurance.

Section 2.04 Liens. Mortgagor shall not create or suffer to be created any Lien upon the Mortgaged Property prior to, on a parity with, or subordinate to the lien of this Mortgage, or permit any transfers in violation of Section 8.5 of the Loan Agreement, other than Permitted Encumbrances.

Section 2.05 Insurance. Mortgagor shall cause the Mortgaged Property to be insured in the manner and to the extent required by Section 7.2 of the Loan Agreement.

Section 2.06 Impositions. Mortgagor shall pay or cause to be paid, before any fine, penalty, interest or cost attaches thereto, all Impositions in accordance with Section 7.4 of the Loan Agreement (including Mortgagor's right to contest the same in accordance with Section 7.4(b)) as well as all other taxes, assessments, water and sewer rates, utility charges and all other governmental or nongovernmental charges or levies now or hereafter assessed or levied against any part of the Mortgaged Property (including, without limitation, nongovernmental levies or assessments such as maintenance charges, owner association dues or charges or fees, levies or charges resulting from covenants, conditions and restrictions affecting the Mortgaged Property) or upon the lien or estate of Mortgagee therein, as well as all claims for labor, materials or supplies that, if unpaid, might by law become a prior lien thereon (collectively, the "Impositions"), and within ten (10) days after request by Mortgagee will exhibit receipts showing payment of any of the foregoing; provided, however, that if by law any such Imposition may be paid in installments (whether or not interest shall accrue on the unpaid balance thereof), Mortgagor may pay the same in installments (together with accrued interest on the unpaid balance thereof) as the same respectively become due, before any fine, penalty or cost attaches thereto.

Section 2.07 Maintenance of the Improvements and Equipment. Mortgagor shall (i) not permit the Improvements or Fixtures to be removed or demolished (provided, however, that, subject to the provisions of Section 7.6 of the Loan Agreement, Mortgagor may remove or alter such Improvements and Equipment that become obsolete in the usual conduct of Mortgagor's business and the removal or alteration of which do not materially detract from the operation of Mortgagor's business); (ii) maintain the Mortgaged Property in good repair, working order and condition; and (iii) restore and repair the Improvements and Equipment or any part thereof now or hereafter affected by any casualty event or taking in accordance with the Loan Agreement.

Section 2.08 Compliance With Laws. Mortgagor covenants and agrees to (i) comply with all applicable laws, including, without limitation, Environmental Requirements, in

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accordance with Section 7.17 of the Loan Agreement and the Environment Indemnity and (ii) indemnify and hold Mortgagee and the Lenders harmless from and against any and all losses, liabilities, claims, damages or expenses arising from Mortgagor's failure to so comply with applicable laws, including, without limitation, Environmental Requirements, in accordance with the Loan Agreement and the Environmental Indemnity.

Section 2.09 Limitations of Use. Mortgagor shall not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses that may be made of the Premises or any part thereof without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed. Mortgagor shall comply with the provisions of all governmental approvals and all licenses, agreements and private covenants, conditions and restrictions that at any time are applicable to the Mortgaged Property.

Section 2.10 Actions to Protect Mortgaged Property. If Mortgagor shall fail beyond any applicable notice and/or grace period to (i) effect the insurance required by Section 2.05 hereof, (ii) make the payments required by Section 2.06 hereof or (iii) perform or observe any of its other covenants or agreements hereunder, Mortgagee may, without obligation to do so, and upon notice to Mortgagor (except in an emergency) effect or pay the same; provided, however, that any such payment by Mortgagee shall not affect whether such failure by the Mortgagor constitutes an Event of Default (as hereinafter defined). To the maximum extent permitted by law, all sums, including reasonable attorneys' fees and disbursements, so expended or expended to sustain the lien or estate of this Mortgage or its priority, or to protect or enforce any of the rights hereunder, or to recover any of the Obligations, shall be a lien on the Mortgaged Property, and shall be deemed to be added to the Obligations secured hereby, and shall be paid by Mortgagor within ten (10) days after demand therefor, together with interest thereon at the Default Rate. For such purpose, Mortgagor expressly grants to Mortgagee, in addition to, and without prejudice to, any other rights and remedies hereunder, (1) the right, upon reasonable prior notice to Mortgagor (except in an emergency) to enter upon the Mortgaged Property to such extent and as often as it may reasonably deem necessary or desirable to prevent or remedy any such default or to take any such action, and (2) the right to appear in, defend or bring any action or proceeding in good faith to protect Mortgagee's and the Lenders' interests in the Mortgaged Property or, during the continuance of an Event of Default, to cause Mortgagee to execute the power of sale, or foreclose, under this Mortgage or collect the Obligations, and Mortgagor hereby irrevocably appoints and constitutes Mortgagee as Mortgagor's lawful attorney-in-fact, coupled with an interest and with full power of substitution, for such purposes and the taking of all acts incidental thereto. No such advance, performance or action or proceeding shall be deemed to have cured such Event of Default with respect thereto. In any action or proceeding to foreclose this Mortgage or recover or collect the Obligations, Mortgagee and the Lenders shall be entitled to recover the reasonable costs, actual out-of-pocket expenses and reasonable attorneys' fees and disbursements actually incurred in foreclosing or attempting to collect upon the Obligations, which costs, expenses and attorneys' fees, to the extent permitted by any applicable law, shall also be secured by this Mortgage.

Section 2.11 Insurance and Condemnation Proceeds. Mortgagor assigns to Mortgagee on behalf of the Lenders, (i) all awards or payments, including interest thereon, and the right to receive the same, which may heretofore or hereafter be made with respect to the

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whole or part of the Mortgaged Property, whether from the exercise of the right of eminent domain (including any proceeding or transfer in lieu of or in anticipation of the exercise of such right), or for any other injury to or decrease in the value of the Mortgaged Property, including any award resulting from a change of any streets (whether as to grade, access or otherwise) and any award for severance damages and (ii) all proceeds of and any unearned premiums on any insurance policies that may now or hereafter cover the Mortgaged Property, including the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damage to the Mortgaged Property. Any insurance proceeds or condemnation awards shall be held and applied by Mortgagee in accordance with Sections 7.2 and 7.3 of the Loan Agreement.

Section 2.12 Lien Laws. Mortgagor will indemnify and hold Mortgagee and the Lenders harmless against any loss or liability, cost or expense, including, without limitation, any judgments, reasonable attorney's fees, actual out-of-pocket costs of appeal bonds and actual out-of-pocket printing costs, arising out of or relating to any proceeding instituted by any claimant alleging a violation by Mortgagor of any applicable lien law.

Section 2.13 Inspections. Subject to the provisions and restrictions of Applicable Law and the rights of Tenants under the Leases, if any, Mortgagor shall permit Mortgagee and each Lender, and their agents, representatives and employees, upon reasonable prior notice to Mortgagor, to inspect the Mortgaged Property and conduct such environmental and engineering studies as Mortgagee may require pursuant to the Environmental Indemnity; provided that such inspections and studies shall occur at reasonable times and shall not materially interfere with the use and operation of the Mortgaged Property.

Section 2.14 Reserved.

ARTICLE 3

ASSIGNMENT OF LEASES AND RENTS

Section 3.01 Assignment of Rents, Issues and Profits. Mortgagor acknowledges and confirms that it has executed and delivered to Mortgagee (on behalf of the Lenders) a certain Assignment of Leases and Rents of even date herewith (the "Assignment of Leases and Rents"), intending that such instrument create a present, absolute assignment to Mortgagee of the Leases and Rents. Without limiting the intended benefits or the remedies provided under the Assignment of Leases and Rents, Mortgagor hereby assigns to Mortgagee (on behalf of the Lenders), as further security for the secured indebtedness and the Obligations, the Leases and Rents. While any Event of Default exists, Mortgagee shall be entitled to exercise any or all of the remedies provided in the Assignment of Leases and Rents and in Article 5 hereof, including the right to have a receiver appointed. If any conflict or inconsistency exists between the assignment of the Rents and the Leases in this Mortgage and the absolute assignment of the Rents and the Leases pursuant to the Assignment of Leases and Rents, the terms of the Assignment of Leases and Rents shall control.

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ARTICLE 4

SECURITY AGREEMENT; FIXTURE FILING

Section 4.01 Creation of Security Interest. This Mortgage constitutes both a real property mortgage and a “security agreement”, within the meaning of the Uniform Commercial Code. The Mortgaged Property includes both real and personal property and all other rights and interest, whether tangible or intangible in nature, of Mortgagor in the Mortgaged Property whether now or hereafter existing. Mortgagor by executing and delivering this Mortgage has granted and hereby grants to Mortgagee, as security for the Obligations, a security interest in (a) the Mortgaged Property, and (b) the personal property identified on Exhibit B attached hereto whether now or hereafter existing, in each case to the fullest extent that the same may be subject to the Uniform Commercial Code (all of such personal property so subject to the Uniform Commercial Code, the “Personal Property Collateral”). If an Event of Default shall exist, (i) Mortgagee, in addition to any other rights and remedies that it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including the right to take possession of the Personal Property Collateral, or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Personal Property Collateral and (ii) upon reasonable request or demand of Mortgagee, Mortgagor shall, at Mortgagor’s sole expense, assemble the Personal Property Collateral and make it available to Mortgagee at a convenient place acceptable to Mortgagee. Mortgagor shall pay to Mortgagee on demand any and all expenses, including reasonable attorneys’ fees, costs and disbursements, actually incurred or paid by Mortgagee in protecting its interest in the Personal Property Collateral and in enforcing its rights hereunder with respect to the Personal Property Collateral. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Personal Property Collateral sent to Mortgagor in accordance with the provisions of this Mortgage at least ten (10) Business Days prior to such sale, disposition or other action, shall constitute reasonable notice to Mortgagor, and the method of sale or disposition or other intended action set forth or specified in such notice shall conclusively be deemed to be commercially reasonable within the meaning of the Uniform Commercial Code unless objected to by Mortgagor within five (5) Business Days after such notice. The proceeds of any sale or disposition of the Personal Property Collateral, or any part thereof, may be applied by Mortgagee to the payment of the Obligations in such priority and proportions as Mortgagee in its discretion shall deem proper and any remainder, after payment of the Obligations and any costs incurred by Mortgagee in connection with the sale or disposition of the Personal Property Collateral (except to the extent otherwise required by Applicable Law), shall be returned to Mortgagor.

Section 4.02 Continuation Statements; Amendments. Mortgagor hereby authorizes Mortgagee to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Personal Property Collateral without the signature of Mortgagor where permitted by Applicable Law. Any such financing statement may describe the collateral covered thereby as “all assets” and/or “all personal property” of Mortgagor.

Section 4.03 Fixture Filing. This Mortgage shall also constitute a “fixture filing” filed as a fixture filing in the Official Records of the County Recorder of the county in which the Mortgaged Property is located for the purposes of the Uniform Commercial Code

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against all of the Mortgaged Property which is or is to become fixtures. Information concerning the security interest herein granted may be obtained at the addresses of Debtor (Mortgagor) and Secured Party (Mortgagee) as set forth in the first paragraph of this Mortgage.

ARTICLE 5

DEFAULTS; REMEDIES

Section 5.01 Events of Default. If any Event of Default (herein, an "Event of Default") under the Loan Agreement shall occur and be continuing then, as more particularly provided in the Loan Agreement, the unpaid principal of and accrued interest on the Notes and all other Obligations under the Loan Agreement may be declared, or may become, due and payable, without presentment, demand, protest or other formalities of any kind, all of which have been waived pursuant to the Loan Agreement.

Section 5.02 Remedies. If an Event of Default shall have occurred and be continuing, this Mortgage may, to the maximum extent permitted by law, be enforced, and Mortgagee may exercise any right, power or remedy permitted to it hereunder, under the Loan Agreement or under any of the other Loan Documents or by law, and, without limiting the generality of the foregoing, Mortgagee may, personally or by its agents, exercise any or all of the following rights to the maximum extent permitted by law:

(a) Subject to any applicable provisions of the Notes, the Loan Agreement, the Hedge Agreement and the other Loan Documents, Mortgagee may declare all or any portion of the unpaid principal balance under the Notes, together with all accrued and unpaid interest (including, without limitation, any Additional Interest) thereon, and all other unpaid Obligations, to be immediately due and payable;

(b) Mortgagee may enter into or upon the Premises, personally or by its agents, nominees or attorneys, and may dispossess Mortgagor and its agents and servants therefrom, and thereupon Mortgagee at its sole discretion may: (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every portion of the Mortgaged Property and conduct business thereon, in any case, either in the name of Mortgagee or in such other name as Mortgagee shall deem best; (ii) complete any construction with respect to the Mortgaged Property in such manner and form as Mortgagee reasonably deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property; (iv) exercise all rights and powers of Mortgagor in good faith with respect to the Mortgaged Property, whether in the name of Mortgagor or otherwise, including the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents; and (v) apply the receipts of all such Rents to the payment of the Obligations as provided in the Loan Agreement, after deducting therefrom all actual out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred in connection with the aforesaid operations and all amounts necessary to pay the operating costs for the Mortgaged Property and other charges in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of Mortgagee, its agents, nominees and attorneys.

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(c) Mortgagee, with or without entry, personally or by their agents or attorneys, insofar as applicable, may, at Mortgagee's election, execute the power of sale granted by this Mortgage and sell the Premises, and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, at public auction to the highest bidder in strict accordance with all notice, advertisement and other applicable laws of the State of Illinois and any other remedies permitted by the laws of the State of Illinois or as provided in this Mortgage or in any other Loan Document. Mortgagor acknowledges that the power of sale granted in this Mortgage may be exercised by Mortgagee without prior judicial hearing. At any such sale by virtue of any judicial proceedings or any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Mortgagor shall be completely and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Mortgagor, and against all other persons claiming or to claim the property sold or any part thereof, by, through or under Mortgagor. Mortgagee shall be entitled to collect all actual out-of-pocket costs and actual out-of-pocket expenses incurred in pursuing such remedies, including reasonable attorneys' fees, costs of documentary evidence, abstracts and title reports. Mortgagor agrees that in addition to all other remedies and rights provided for in this Mortgage, this Mortgage shall be construed to impose and confer upon Mortgagee all rights prescribed by the laws of the State of Illinois, including the Illinois Mortgage Foreclosure Act, 735 ILCS 5/15-1101 et seq. (as may be amended from time to time, the "Act"). Mortgagee shall give notice of sale and shall sell the Premises according to the laws of the State of Illinois.

(d) Mortgagee may institute proceedings for the complete or partial foreclosure of this Mortgage against all or any portion of the Mortgaged Property, in which case the Mortgaged Property may be sold for cash or upon credit, as an entirety or in parcels or portions, all in accordance with the Act.

(e) Mortgagee may institute an action, suit or proceeding at law or in equity for the specific performance of any covenant, condition or agreement contained herein or in the Notes, the Loan Agreement or any other Loan Document, or in aid of the execution of any power granted hereunder or for the enforcement of any other appropriate legal or equitable remedy.

(f) Mortgagee may recover judgment on the Notes, either before, during or after any proceedings for the foreclosure (or partial foreclosure) or enforcement of this Mortgage.

(g) Mortgagee may, as a matter of right, secure the appointment of a receiver, trustee, liquidator or similar official of the Mortgaged Property or any portion thereof, and Mortgagor hereby consents and agrees to such appointment, without notice to Mortgagor and without regard to the adequacy of the security for the Obligations and without regard to the solvency of Mortgagor or any other Person liable for the payment of the Obligations, and such receiver or other official shall have all rights and powers permitted by applicable law and such other rights and powers as the court making such

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appointment may confer, but the appointment of such receiver or other official shall not impair or in any manner prejudice the rights of Mortgagee to receive the Rents with respect to the Mortgaged Property pursuant to this Mortgage.

(h) In addition to the rights which Mortgagee may have herein, upon the occurrence of any Event of Default, Mortgagee, at its option, may require Mortgagor to pay monthly in advance to Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of any portion of the Mortgaged Property occupied by Mortgagor and may require Mortgagor to vacate and surrender possession to Mortgagee of the Mortgaged Property or to such receiver and, Mortgagor may be evicted by summary proceedings or otherwise.

(i) Mortgagee shall have all of the rights and remedies with respect to the Mortgaged Property and the Personal Property Collateral of a secured party under the Uniform Commercial Code (whether or not said Uniform Commercial Code is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under Applicable Law, including, without limitation, the right, to the maximum extent permitted by law, to exercise all voting, consensual and other power of ownership pertaining to the Mortgaged Property or the Personal Property Collateral as if Mortgagee were the sole and absolute owner thereof (and Mortgagor agrees to take all such action as may be appropriate to give effect to such right).

(j) Mortgagee or the Lender's may pursue against Mortgagor, any other rights and remedies of Mortgagee permitted by law, equity or contract or as set forth herein or in the Loan Agreement, the Hedge Agreement or the other Loan Documents.

Section 5.03 Application of Proceeds. The proceeds of any sale made either under the power of sale hereby given or under a judgment, order or decree made in any action to foreclose or to enforce this Mortgage, or of any monies held by Mortgagee hereunder, shall be applied in the following order:

(a) First, to payment of the costs and expenses of taking possession of the Mortgaged Property, and of the actual out-of-pocket costs and expenses of the sale, including but not limited to Mortgagee's fees, reasonable legal fees and disbursements, title charges and transfer taxes, and payment of all expenses, liabilities and advances of Mortgagee;

(b) Second, payment of all sums expended by Mortgagee under the terms of this Mortgage and not yet repaid, together with interest on such sums at the Default Rate;

(c) Third, to payment of the secured indebtedness and all other Obligations secured by this Mortgage, including, without limitation, interest at the Default Rate provided for under the Loan Documents, any Additional Interest, and any

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charge expressly required to be paid under the Notes in order to prepay principal, in any order that Mortgagee chooses in its sole discretion; and

(d) Finally, the remainder, if any, of such funds shall be disbursed to Mortgagor or to any other Person or Persons legally entitled thereto.

Section 5.04 Right to Sue. Mortgagee shall have the right from time to time to sue for any sums required to be paid by Mortgagor under the terms of this Mortgage as the same become due, without regard to whether or not the Obligations shall be, or have become, due and without prejudice to the right of Mortgagee to thereafter exercise its power of sale or thereafter to bring any action or proceeding of foreclosure or any other action upon the occurrence and during the continuance of any Event of Default existing at the time such earlier action was commenced.

Section 5.05 Powers of Mortgagee. Mortgagee may at any time or from time to time renew or extend this Mortgage or (with the agreement of Mortgagor) alter or modify the same in any way, or waive any of the terms, covenants or conditions hereof or thereof, in whole or in part, and may release any portion of the Mortgaged Property or any other security, and grant such extensions and indulgences in relation to the Obligations, or release any Person liable therefor as Mortgagee may determine without the consent of any junior lienor or encumbrancer, without in any manner affecting the priority of the Lien and estate of this Mortgage on or in any part of the Mortgaged Property, and without affecting the liability of any other Person liable for any of the Obligations.

Section 5.06 Remedies Cumulative.

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

(b) Mortgagee shall be entitled to enforce payment and performance of any of the Obligations and to exercise all rights and powers under this Mortgage or under any Loan Document or any laws now or hereafter in force, notwithstanding that some or all of the Obligations may now or hereafter be otherwise secured, whether by mortgage, mortgage, pledge, lien, assignment or otherwise; neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being stipulated that Mortgagee shall be entitled to enforce this Mortgage, any of the Security Documents and any other security now or hereafter held by Mortgagee in such order and manner as Mortgagee, in its sole discretion, may determine; every power or remedy given by the Loan Agreement, this Mortgage or any of the other Loan Documents to Mortgagee, or to which Mortgagee is otherwise entitled, may be exercised, concurrently

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or independently, from time to time and as often as may be deemed expedient by Mortgagee, and Mortgagee may pursue inconsistent remedies.

Section 5.07 General Provisions.

- (a) Effect of Judgment. No recovery of any judgment by Mortgagee and no levy of an execution under any judgment upon any other property of Mortgagor shall adversely affect in any manner or to any extent the Lien of this Mortgage upon the Mortgaged Property, or any rights, powers or remedies of Mortgagee hereunder. Such Lien, rights, powers and remedies of Mortgagee shall continue unimpaired as before.
- (b) Continuing Power of Sale. The power of sale conferred upon Mortgagee in this Mortgage shall not be exhausted by any one or more sales as to any portion of the Mortgaged Property or the Personal Property Collateral remaining unsold, but shall continue unimpaired, to the fullest extent permitted by law, until all of the Obligations are paid in full.
- (c) Right to Purchase. At any sale of the Mortgaged Property or the Personal Property Collateral or any portion thereof pursuant to the provisions of this Mortgage, Mortgagee shall have the right to purchase the Mortgaged Property (or such portion thereof) being sold, and in such case shall have the right to credit against the amount of the bid made therefor (to the extent necessary) all or any portion of the Obligations.
- (d) Adjournment of Sale. Mortgagee may postpone or adjourn from time to time any sale of all or any part of the Mortgaged Property by it to be made hereunder or by virtue hereof by announcement at the time and place appointed for such sale or such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so postponed or adjourned, as the case may be.
- (e) Right to Terminate Proceedings. Mortgagee may terminate or rescind any proceeding or other action brought in connection with its exercise of the remedies provided in this Article 5 at any time before the conclusion thereof, as determined in Mortgagee's sole discretion and without prejudice to Mortgagee or any Lender.
- (f) No Waiver or Release. Mortgagee may resort to any remedies and the security given by the Loan Documents, in whole or in part, and in such portions and in such order as determined in Mortgagee's sole discretion. No such action shall in any way be considered a waiver of any rights, benefits or remedies evidenced or provided by the Loan Documents. The failure of Mortgagee to exercise any right, remedy or option provided in the Loan Documents shall not be deemed a waiver of such right, remedy or option or of any covenant or obligation secured by the Loan Documents. No acceptance by Mortgagee of any payment after the occurrence of an Event of Default and no payment by Mortgagee of any obligation for which Mortgagor is liable hereunder shall be

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deemed to waive or cure any Event of Default with respect to Mortgagor, or Mortgagor's liability to pay such obligation. No sale of all or any portion of the Mortgaged Property, no forbearance on the part of Mortgagee, and no extension of time for the payment of the whole or any portion of the Obligations or any other indulgence given by Mortgagee to Mortgagor or any other Person, shall operate to release or in any manner affect the interest of Mortgagee in any remaining portion of the Mortgaged Property or the liability of Mortgagor to pay and perform the Obligations, except to the extent that such liability shall be reduced by net proceeds actually received by Mortgagee with respect to any portion of the Mortgaged Property. No waiver by Mortgagee shall be effective unless it is in writing and then only to the extent specifically stated.

(g) No Impairment; No Release. The interests and rights of Mortgagee under the Loan Documents shall not be impaired by any indulgence, including (i) any renewal, extension or modification which Mortgagee may grant with respect to any of the Obligations; (ii) any surrender, compromise, release, renewal, extension, exchange or substitution which Mortgagee may grant with respect to the Mortgaged Property or any portion thereof; or (iii) any waiver, release or indulgence granted to any maker, endorser, guarantor or surety of any of the Obligations.

(h) Waivers and Agreements Regarding Remedies. To the fullest extent Mortgagor may legally do so Mortgagor, for itself and for all persons hereunder claiming through or under it or who may at any time acquire a lien on all or any part of the Mortgaged Property or any interest therein:

(i) agrees that Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any laws now or hereafter in force providing for any appraisal or appraisement, valuation, stay, extension or redemption, and waives and releases all rights of redemption, valuation, appraisal or appraisement, stay of execution, extension and notice of election to accelerate or declare due the whole or any portion of the Obligations to the extent permitted by 735 ILCS 5/15-1601 or other applicable law or replacement statutes;

(ii) waives all rights to a marshaling of the assets of Mortgagor and others with interests in Mortgagor, and of the Mortgaged Property, or to a sale in inverse order of alienation in the event of foreclosure of the interests hereby created, and agrees not to assert any right under any laws pertaining to the marshaling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Mortgagee under the Loan Documents to a sale of the Mortgaged Property for the collection of the Obligations without any prior or different resort for collection, or the right of Mortgagee to the payment of the Obligations out of the net proceeds from the Mortgaged Property in preference to every other claimant whatsoever;

(iii) waives any right to bring or utilize any defense, counterclaim or setoff; provided, however, that if such counterclaim or setoff is based on a claim which could be tried in an action for money damages, the

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foregoing waiver shall not bar a separate action for such damage (unless such claim is required by law or applicable rules of procedure to be pleaded in or consolidated with the action initiated by Mortgagee), but such separate action shall not thereafter be consolidated with any foreclosure action of Mortgagee; and provided further that the bringing of such separate action for money damages shall not be deemed to afford any grounds for staying any such foreclosure action;

(iv) waives and relinquishes any and all rights and remedies which Mortgagor may have or be able to assert by reason of the provisions of any laws pertaining to the rights and remedies of sureties; and

(v) waives any right which it may have to require the Mortgaged Property (or any part thereof) to be sold as one or more units.

(vi) Subrogation. If all or any portion of the proceeds of the Notes or any disbursement shall be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any prior Lien upon the Mortgaged Property or any portion thereof, then Mortgagee shall be subrogated to, and shall have the benefit of the priority of, such other Lien and any additional security held by the holder thereof.

Section 5.08 No Mortgagee-in-Possession. None of the enforcement of any of the remedies under this Article 5, the assignment of the Leases and Rents under Article 3, the security interests under Article 4, nor any other remedies afforded to Mortgagee and/or the Lenders under the Loan Documents, at law or in equity shall cause Mortgagee or any Lender to be deemed or construed to be a mortgagee in possession of the Mortgaged Property, to obligate Mortgagee or any Lender to lease the Mortgaged Property or attempt to do so, or to take any action, incur any expense, or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

ARTICLE 6

INTENTIONALLY OMITTED

ARTICLE 7

MISCELLANEOUS

Section 7.01 Release of Mortgage. Upon the termination of the Commitments under and as defined in the Loan Agreement and the payment in full of the Loans and all other Obligations (other than contingent indemnification obligations not then due and payable and which expressly survive the payment in full of the Loans), Mortgagee shall release the Lien of this Mortgage. Mortgagor must pay all costs of recordation of the release of the Lien of this Mortgage. The recitals in the reconveyance of any facts will be conclusive on all persons. The grantee in the reconveyance may be described as "the person or persons legally entitled thereto."

Section 7.02 Notices. (a) All notices, requests, demands, statements, authorizations, approvals, directions, consents and other communications provided for herein

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shall be given or made in writing and shall be deemed sufficiently given or served for all purposes as of the date (a) when hand delivered (provided that delivery shall be evidenced by a receipt executed by or on behalf of the addressee), (b) three (3) days after being sent by postage pre-paid registered or certified mail, return receipt requested, (c) one (1) Business Day after being sent by reputable overnight courier service (with delivery evidenced by written receipt), or (d) with a simultaneous delivery by one of the means in (a), (b) or (c) by facsimile, when sent, with confirmation and a copy sent by first class mail, in each case addressed to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Unless otherwise expressly provided herein, Mortgagor shall only be required to send notices, requests, demands, statements, authorizations, approvals, directions, consents and other communications to Mortgagee on behalf of all of the Lenders.

(a) Notices and other communications to Mortgagee hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by Mortgagee. Mortgagee or Mortgagor may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Address for Notices:

If to Mortgagor:
 SM LTCB Lansing, LLC
 c/o Coventry Real Estate Advisors
 1 East 52nd Street, 4th Floor
 New York, New York 10022
 Attention: Robert Levinson
 Telecopy No.: (212) 699-4124

With copies to:

Developers Diversified Realty Corporation
 3300 Enterprise Parkway
 Beachwood, Ohio 44122
 Attention: David Weiss, General Counsel
 Telecopy No.: (216) 755-1650

With copies to:

Paul, Hastings, Janofsky & Walker, LLP
 75 E. 55th Street
 New York, New York 10022
 Attention: Ralph Toussie
 Telecopy No.: (212) 230-7833

If to Mortgagee:

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Eurohypo AG, New York Branch
 1114 Avenue of the Americas
 New York, New York 10036
 Attention: Legal Director
 Telecopier No.: 866-267-7680

With copies to:

Eurohypo AG, New York Branch
 1114 Avenue of the Americas
 New York, New York 10036
 Attention: Head of Portfolio Operations
 Telecopier No.: 866-267-7680

and -

Sidley Austin LLP
 One South Dearborn Street
 Chicago, Illinois 60603
 Attention: Dennis M. Coghlan, Esq.
 Telecopier No.: (312) 853-7036

Section 7.03 No Waiver. Any failure by Mortgagee to insist upon strict performance of any of the terms, provisions or conditions of this Mortgage or the other Loan Documents shall not be deemed to be a waiver of same, and Mortgagee shall have the right at any time to insist upon strict performance of all of such terms, provisions and conditions.

Section 7.04 Amendments; etc. This Mortgage cannot be modified, changed or discharged except by an agreement in writing, duly acknowledged in form for recording, signed by Mortgagor and Mortgagee and, to the extent provided in the Loan Agreement, the consent of the Lenders. For purposes hereof, a statement by Mortgagee in any modification or supplement to this Mortgage to the effect that such modification or supplement has been consented to by the Lenders as provided in the Loan Agreement shall be conclusive evidence of such consent and it shall not be necessary for a copy of such consent to be recorded with such modification or supplement as a condition to such modification or supplement being recorded in the appropriate real estate records. Without affecting Mortgagor's liability for the payment of any of the indebtedness secured by this Mortgage, Mortgagee may from time to time and without notice to Mortgagor (a) release any person liable for the payment of that indebtedness, (b) extend or modify the terms of payment of that indebtedness, (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 Mortgaged Property, or to reconvey any part of the Mortgaged Property, or to join in granting any easement or creating any restriction on the Mortgaged Property, or to join in any subordination or other agreement affecting this Mortgage.

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Section 7.05 Successors and Assigns. This Mortgage applies to, inures to the benefit of and binds Mortgagor and Mortgagee and their respective successors and assigns, as permitted under the Loan Agreement, and shall run with the Premises.

Section 7.06 Captions. The captions or headings at the beginning of each Article and Section hereof are for the convenience of reference and are not a part of this Mortgage.

Section 7.07 Severability. If any term or provision of this Mortgage or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Mortgage, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Mortgage shall be valid and enforceable to the maximum extent permitted by law. If any portion of the Obligations shall for any reason not be secured by a valid and enforceable lien upon any part of the Mortgaged Property, then any payments made in respect of the Obligations (whether voluntary or under foreclosure or other enforcement action or procedure or otherwise) shall, for purposes of this Mortgage (except to the extent otherwise required by applicable law) be deemed to be made (i) first, in respect of the portion of the Obligations not secured by the lien of this Mortgage, (ii) second, in respect of the portion of the Obligations secured by the lien of this Mortgage, but which lien is on less than all of the Mortgaged Property, and (iii) last, to the portion of the Obligations secured by the lien of this Mortgage, and which lien is on all of the Mortgaged Property.

Section 7.08 Usury Savings Clause. It is the intention of Mortgagor, Mortgagee and the Lenders to conform strictly to the usury and similar laws relating to interest payable on loans from time to time in force, and all agreements between Mortgagor, Mortgagee and the Lenders, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration of maturity hereof otherwise, shall the amount paid or agreed to be paid in the aggregate to the Lenders as interest (whether or not designated as interest, and including any amount otherwise designated by or deemed to constitute interest by a court of competent jurisdiction) hereunder or under the other Loan Documents or in any other agreement given to secure the Obligations, or in any other document evidencing, securing or pertaining to the Obligations, exceed the maximum amount (the "Maximum Rate") permissible under Applicable Law. If under any circumstances whatsoever fulfillment of any provision hereof, of the Loan Agreement or of the other Loan Documents, at the time performance of such provisions shall be due, shall involve exceeding the Maximum Rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the Maximum Rate. For purposes of calculating the actual amount of interest paid and/or payable hereunder in respect of laws pertaining to usury or such other laws, all sums paid or agreed to be paid to the Lenders for the use, forbearance or detention of the Obligations evidenced hereby, outstanding from time to time shall, to the extent permitted by Applicable Law, be amortized, pro-rated, allocated and spread from the date of disbursement of the proceeds of the Notes until payment in full of all of such indebtedness, so that the actual rate of interest on account of such Obligations is uniform through the term hereof. If under any circumstances any Lender shall ever receive an amount which would exceed the Maximum Rate, such amount shall be deemed a payment in reduction of the principal amount of the Loans and shall be treated as a voluntary prepayment under the Loan Agreement and shall be so applied in accordance with the provisions of the Loan

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Agreement or if such excessive interest exceeds the Outstanding amount of the Loans and any other Obligations, the excess shall be deemed to have been a payment made by mistake and shall be refunded to Mortgagor.

Section 7.09 **CERTAIN ACKNOWLEDGMENTS AND WAIVERS.**

MORTGAGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY (A) WAIVES THE POWER GIVEN HEREIN TO MORTGAGEE TO CONDUCT A JUDICIAL FORECLOSURE OR TO SELL THE MORTGAGED PROPERTY BY NONJUDICIAL FORECLOSURE UPON DEFAULT BY THE MORTGAGOR WITHOUT ANY JUDICIAL HEARING AND WITHOUT ANY NOTICE (INCLUDING, WITHOUT LIMITATION, ANY NOTICE OF MORTGAGEE'S INTENTION TO ACCELERATE OR NOTICE OF ACCELERATION) OTHER THAN SUCH NOTICE (IF ANY) AS IS SPECIFICALLY REQUIRED TO BE GIVEN UNDER THE PROVISIONS OF THIS MORTGAGE OR BY APPLICABLE LAW, (B) WAIVES, IN CONNECTION WITH ANY SALE, FORECLOSURE OR OTHER ACTION BROUGHT BY MORTGAGEE TO ENFORCE ITS RIGHTS AND REMEDIES UNDER THIS MORTGAGE, ANY AND EVERY RIGHT MORTGAGOR MAY HAVE TO (1) INTERPOSE ANY COUNTERCLAIM THEREIN, OTHER THAN A COMPULSORY COUNTERCLAIM, AND (2) HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING NOTHING CONTAINED IN THE IMMEDIATELY PRECEDING SENTENCE SHALL PREVENT OR PROHIBIT MORTGAGOR FROM INSTITUTING OR MAINTAINING A SEPARATE ACTION AGAINST MORTGAGEE OR THE LENDERS WITH RESPECT TO ANY ASSERTED CLAIM.

Section 7.10 **GOVERNING LAW.**

(a) **IN ALL RESPECTS, INCLUDING MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE THIS MORTGAGE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE, DETERMINED WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAW, AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES (A) THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO ON THE MORTGAGED PROPERTY (OTHER THAN AS DESCRIBED IN CLAUSES (B) AND (C) BELOW) AND PURSUANT TO THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED, (B) THE CREATION AND ENFORCEMENT OF SECURITY INTERESTS IN ANY (I) ACCOUNT COLLATERAL, AND (II) SUCH PROPERTY IN WHICH SECURITY INTERESTS CAN BE CREATED UNDER ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK (THE "NEW YORK LAW COLLATERAL") SHALL BE GOVERNED BY, AND CONSTRUED IN**

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ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW), AND (C) THE PERFECTION AND THE EFFECT OF PERFECTION OR NON-PERFECTION OF SECURITY INTERESTS IN THE NEW YORK COLLATERAL SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE JURISDICTION APPLICABLE THERETO IN ACCORDANCE WITH SECTIONS 9-301 THROUGH 9-307 OF THE NEW YORK UCC.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST MORTGAGEE, ANY LENDER OR MORTGAGOR ARISING OUT OF OR RELATING TO THIS MORTGAGE MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW (EXCEPT ANY FORECLOSURE PROCEEDINGS AND ANCILLARY PROCEEDINGS RELATED TO THE PREMISES SHALL TAKE PLACE IN THE STATE WHERE THE PREMISES ARE LOCATED) AND MORTGAGOR AND, BY MORTGAGEE'S ACCEPTANCE HEREOF, MORTGAGEE AND LENDERS EACH WAIVE ANY OBJECTIONS WHICH THEY MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND MORTGAGOR AND, BY MORTGAGEE'S ACCEPTANCE HEREOF, MORTGAGEE AND LENDERS EACH HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. MORTGAGOR HEREBY AGREES THAT SERVICE OF PROCESS MAILED OR DELIVERED TO MORTGAGOR IN THE MANNER PROVIDED IN SECTION 7.02 SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON MORTGAGOR, IN ANY SUCH SUIT, ACTION OR PROCEEDING.

Nothing in this Section 7.10 shall affect the right of Mortgagee or any Lender to serve legal process in any other manner permitted by law or affect the right of Mortgagee or any Lender to bring any suit, action or proceeding against Mortgagor or the property of Mortgagor in the courts of any other jurisdiction.

Section 7.11 WAIVER OF JURY TRIAL. MORTGAGOR, MORTGAGEE AND EACH LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS MORTGAGE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF ANY PARTY OR ANY EXERCISE BY ANY PARTY OF THEIR RESPECTIVE RIGHTS UNDER THIS MORTGAGE OR IN ANY WAY RELATING TO THE LOANS OR THE MORTGAGED PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY ACTION TO RESCIND OR CANCEL THIS MORTGAGE, AND ANY CLAIM OR DEFENSE ASSERTING THAT THIS MORTGAGE WAS FRAUDULENTLY INDUCED OR IS OTHERWISE VOID OR VOIDABLE). THIS

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WAIVER IS A MATERIAL INDUCEMENT FOR THE MORTGAGEE AND EACH LENDER TO ENTER THIS MORTGAGE.

Section 7.12 Attorney-In-Fact. Mortgagor hereby irrevocably appoints Mortgagee (on behalf of the Lenders) and its successors and assigns, as its attorney in fact, which appointment is coupled with an interest, (a) to execute and/or record any notices of completion, cessation of labor or any other notices that Mortgagee reasonably deems appropriate to protect Mortgagee's interest, if Mortgagor shall fail to do so within ten (10) days after written request by Mortgagee, (b) upon the issuance of a deed pursuant to the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure or upon any trustee's sale, to execute all instruments of assignment, conveyance or further assurance with respect to the Leases, Rents, Personal Property, Fixtures, and Management Agreements in favor of the grantee of any such deed and as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Mortgagee's security interests and rights in or to any of the collateral, and (d) while any Event of Default exists, to perform any obligation of Mortgagor hereunder; however: (i) Mortgagee shall not under any circumstances be obligated to perform any obligation of Mortgagor; (ii) any sums advanced by Mortgagee in such performance shall be added to and included in the indebtedness secured by this Mortgage and shall bear interest at the Default Rate; (iii) Mortgagee as such attorney-in-fact shall only be accountable for such funds as are actually received by Mortgagee; and (iv) except as a result of willful misconduct or gross negligence, neither Mortgagee nor any Lender shall be liable to Mortgagor or any other person or entity for any failure to take any action which it is empowered to take under this Section 7.12. 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 in Section 7.02 above.

ARTICLE 8

SPECIAL STATE PROVISIONS

Section 8.01 Special State Provisions. In the event of any inconsistencies between the terms and conditions of this Article 8 and the other terms and conditions of this Mortgage, the following terms and conditions of this Article 8 shall control and be binding:

(a) Mortgagor hereby acknowledges that certain Loan Documents other than this Mortgage create liens on collateral located in counties and states other than the counties and state in which the Land is located. Mortgagor further acknowledges that this Mortgage and the other Loan Documents are cross-defaulted and the Loans secured hereby is also secured by the other Loan Documents. Mortgagor agrees that Mortgagee may proceed, at the same or at different times, to foreclose any or all liens against such collateral (or sell such collateral under power of sale) by any proceedings appropriate in the county and state where such collateral lies, and that no event of enforcement taking place in any county or state pursuant to any of the Loan Documents shall preclude or bar enforcement in the State of Illinois or any other county or state. Any foreclosure or other appropriate remedy brought in any county or state in which collateral is located may be brought and prosecuted as to any part of such collateral without regard

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to the fact that foreclosure proceedings or other appropriate remedies have or have not been instituted elsewhere on any other part of the collateral for the Loans.

(b) Mortgagor represents and warrants to Mortgagee that the proceeds of the Obligations secured hereby shall be used solely for business purposes and in furtherance of the regular business affairs of Mortgagor, and the entire principal obligation secured by this Mortgage constitutes (i) a "business loan" as that term is defined in, and for all purposes of, 815 ILCS 205/4(c) and (ii) a "loan secured by a mortgage on real estate" within the purview and operation of 815 ILCS 205/4(l).

(c) If Mortgagee shall have expended any amount for restoration or rebuilding in excess of the actual or estimated proceeds of insurance or condemnation award for the purpose of such repair or replacement, the amount of such excess so expended by Mortgagee shall constitute additional indebtedness hereunder and shall be secured by the lien hereof.

(d) All advances, disbursements and expenditures (collectively "advances") made by Mortgagee before and during foreclosure, prior to sale, and where applicable, after sale, for the following purposes, including interest thereon at the default rate provided in the Notes, are hereinafter referred to as "Protective Advances" and shall constitute additional indebtedness hereunder and shall be secured by the lien hereof:

- (i) advances pursuant to Article 5 hereof;
- (ii) any amount for restoration or rebuilding in excess of the actual or estimated proceeds of insurance or condemnation award for the purpose of such repair or replacement;
- (iii) advances in accordance with the terms of this Mortgage to: (i) protect, preserve or restore the Mortgaged Property; (ii) preserve the lien of this Mortgage or the priority thereof; or (iii) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 15-1302 of the Act;
- (iv) payments of (i) when due installments of principal, interest or other obligations in accordance with the terms of any Prior Encumbrance (as hereinafter defined); (ii) when due installments of real estate taxes and other Impositions; (iii) other obligations authorized by this Mortgage; or (iv) with court approval any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, all as referred to in Section 15/1505 of the Act;
- (v) attorneys' fees and other costs incurred in connection with the foreclosure of this Mortgage as referred to in Sections 15-1504(d)(2) and 15-1510 of the Act and in connection with any other litigation or administrative proceeding to which the Mortgagee may be or become or be threatened or contemplated to be a party, including probate and bankruptcy proceedings, or in the preparation for the commencement or defense of any such suit or proceeding; including filing fees, appraisers' fees, outlays for documents and expert evidence,

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witness fees, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of judgment) of procuring all such abstracts of title, title charges and examinations, foreclosure minutes, title insurance policies, Torrens certificates, appraisals, and similar data and assurances with respect to title and value as Mortgagee may deem reasonably necessary either to prosecute or defend such suit or, in case of foreclosure, to evidence to bidders at any sale which may be had pursuant to the foreclosure judgment the true condition of the title to or the value of the Mortgaged Property;

(vi) Mortgagee's fees and costs arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 15-1508 of the Act;

(vii) payment by Mortgagee of impositions by Mortgagor with respect to the Mortgaged Property;

(viii) Mortgagee's advances of any amount required to make up a deficiency in deposits for installments of impositions, as may be required of Mortgagor under this Mortgage;

(ix) expenses deductible from proceeds of sale referred to in Subsections (a) and (b) of Section 15-1512 of the Act; and

(x) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (i) if the Mortgaged Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the owner thereof; (ii) if any of the Mortgaged Property consists of an interest in a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (iii) premiums upon casualty and liability insurance made by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required, without regard to the limitation to maintaining of insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Property imposed by Subsection (c)(1) of Section 15-1704 of the Act; (iv) payments required or deemed by Mortgagee to be for the benefit of the Mortgaged Property or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, reciprocal easement agreement, agreement with any adjoining land owners or other instruments creating covenants or restrictions for the benefit of or affecting the Mortgaged Property; (v) shared or common expense assessments payable to any association or corporation in which the owner of the premises is a member in any way affecting the Mortgaged Property; (vi) operating deficits incurred by Mortgagee in possession or reimbursed by Mortgagee to any receiver; (vii) if the Loans secured hereby are construction loans, costs incurred by Mortgagee for completion of construction as may be authorized by the Loan Agreement; (viii) fees and costs incurred to obtain an environmental assessment report relating to the ; and (ix) any monies expended in excess of the face amount of the Notes.

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(e) This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time the Mortgage is recorded, pursuant to Subsection (b)(5) of Section 15-1302 of the Act. The Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, be included in:

(i) determination of the amount of indebtedness secured by this Mortgage at any time;

(ii) the indebtedness found due and owing to the Mortgagee in the judgment of foreclosure and any subsequent amendment of such judgment, supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after entry of such judgment, it being hereby agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(iii) determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act;

(iv) determination of the application of income in the hands of any receiver or mortgagee in possession; and

(v) computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Section 15-1508 and Section 15-1511 of the Act.

All moneys paid for Protective Advances or any of the other purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by Mortgagee to protect the Mortgaged Property and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagee.

(f) Should the proceeds of the Notes or any part thereof, or any amount paid out or advanced hereunder by Mortgagee, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any senior mortgage (as described in Subsection (i) of Section 15-1505 of the Act) or any other lien or encumbrance upon the Mortgaged Property or any part thereof on a parity with or prior or superior to the lien hereof ("Prior Encumbrance"), then as additional security hereunder, the Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

(g) Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed shall appoint a receiver of the Mortgaged Property whenever Mortgagee, when entitled to possession, so requests pursuant to Section 15-1702(a) of the Act or when such appointment is otherwise

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authorized by operation of law. Such receiver shall have all powers and duties prescribed by Section 15-1704 of the Act, including the power to make leases to be binding upon all parties, including the Mortgagor after redemption, the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the Mortgaged Property after entry of a judgment of foreclosure, all as provided in Subsection (g) of Section 15-1701 of the Act. In addition, such receiver shall also have the following powers: (a) to extend or modify any then-existing leases, which extensions and modifications may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption, discharge of the mortgage indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser; and (b) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of the period of receivership. The court from time to time, either before or after entry of judgment of foreclosure, may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by or included in any judgment of foreclosure or supplemental judgment or other item for which Mortgagee is authorized to make a Protective Advance; and (b) the deficiency in case of a sale and deficiency.

(h) In any case in which under the provisions of this Mortgage Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after judgment thereunder, and at all times until confirmation of sale, Mortgagor shall forthwith, upon demand of Mortgagee, surrender to Mortgagee and Mortgagee shall be entitled to take and upon Mortgagee's request to the court to be placed in actual possession of, Mortgagee shall be placed in possession of the Mortgaged Property or any part thereof, personally, or by its agent or attorneys as provided in Subsections (b)(2) and (c) of Section 1701 of the Act. In such event Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain or may apply to the court in which a foreclosure is pending to be placed in possession of all or any part of said Mortgaged Property, together with all documents, books, records, papers and accounts of Mortgagor or then owner of the Mortgaged Property relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom and may, as attorney in fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Mortgaged Property, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power: (a) to cancel or terminate any lease or

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sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof; (c) to extend or modify any then-existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) to enter into any management, leasing or brokerage agreements covering the Mortgaged Property; (e) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Property as to it may seem judicious; (f) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (g) to receive all of such avails, rents, issues and profits; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor. Without limiting the generality of the foregoing provisions of this Section, Mortgagee shall also have all power, authority and duties as provided in Section 15-1703 of the Act.

(i) Mortgagor acknowledges that the Mortgaged Property does not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act. Mortgagor hereby waives any and all rights of redemption from sale under any judgment of foreclosure of this Mortgage on behalf of Mortgagor and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property of any nature whatsoever, subsequent to the date of this Mortgage. The foregoing waiver of right of redemption is made pursuant to the provisions of Section 15-1601(b) of the Act.

(j) At all times, regardless of whether any proceeds of the Loans have been disbursed, this Mortgage secures (in addition to the amounts expressly stated as secured hereby) the payment of any and all commissions, service charges, liquidated damages, expenses and advances due to or incurred by Mortgagee in connection with the Loans; provided, however, that in no event shall the total amount secured hereby exceed two hundred percent (200%) of the face amount of the Notes.

(k) At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any condemnation proceeds), to any and all leases of all or any part of the Mortgaged Property upon the execution by Mortgagee and recording thereof, at any time hereafter in the appropriate official records of the county wherein the Mortgaged Property is situated, of a unilateral declaration to that effect.

[signature page follows]

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

SM LTCB LANSING, LLC,
a Delaware limited liability company

By: Service Bridge LLC,
a Delaware limited liability company,
its sole member

By: Service Holdings LLC,
a Delaware limited liability company,
its sole member

By: Coventry Real Estate Fund II, L.L.C.,
a Delaware limited liability company,
its managing member

By: Coventry Fund II Partners, L.L.C.,
a Delaware limited liability company,
its managing member

By: Robert Levinson
Name: Robert Levinson
Title: Chief Financial Officer

STATE OF NY)
) SS.
COUNTY OF NY)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Robert Levinson personally known to me to be the Chief Financial Officer of Coventry Fund II Partners, L.L.C., a Delaware limited liability company, appeared before me this day in person and acknowledged that, as such Chief Financial Officer, he/she signed and delivered such instrument as his/her free and voluntary act, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 14th day of December, 2006

DIANE K. YANG
Notary Public, State of New York
No. 02YA6113061
Qualified in New York County
Commission Expires November 1, 2008
Notary Public

Diane K. Yang

My Commission Expires:

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LEGAL DESCRIPTION OF LAND

PINs: 30-19-300-019-0000
 30-19-300-038-0000
 30-19-300-039-0000

Address: 16795 South Torrence Avenue, Lansing, IL 60438

PARCEL 1:

LOT 8 (EXCEPT THAT PART DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LOT 10, THENCE NORTH 0 DEGREES 15 MINUTES 50 SECONDS EAST OF THE EAST LINE OF LOT 10 EXTENDED NORTH A DISTANCE OF 6.5 FEET; THENCE NORTH 89 DEGREES 44 MINUTES 10 SECONDS WEST A DISTANCE OF 15.0 FEET TO THE WEST LINE OF LOT 8; THENCE SOUTH 0 DEGREES 15 MINUTES 50 SECONDS WEST A DISTANCE A DISTANCE OF 6.5 FEET TO THE NORTH LINE OF LOT 10; THENCE SOUTH 89 DEGREES 44 MINUTES 10 SECONDS EAST A DISTANCE OF 15.0 FEET TO THE POINT OF BEGINNING)

ALSO

THE SOUTH 8.5 FEET OF THE EAST 18.25 FEET OF THE WEST 33.0 FEET OF LOT 9;
 ALSO
 THE SOUTH 1.00 FOOT OF THE EAST 241 FEET OF LOT 9;

ALSO

THAT PART OF OUTLOT A DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST SOUTHWESTERLY CORNER OF LOT 9, THENCE SOUTH 89 DEGREES 44 MINUTES 10 SECONDS EAST OF THE SOUTH LINE OF LOT 9 A DISTANCE OF 14.75 FEET TO THE POINT OF BEGINNING, THENCE CONTINUING SOUTH 89 DEGREES 44 MINUTES 10 SECONDS EAST A DISTANCE OF 3.25 FEET TO THE WEST LINE OF LOT 8; THENCE SOUTH 0 DEGREES 15 MINUTES 50 SECONDS WEST A DISTANCE OF 168.5 FEET; THENCE NORTH 89 DEGREES 44 MINUTES 10 SECONDS WEST A DISTANCE OF 3.25 FEET; THENCE NORTH 0 DEGREES 15 MINUTES 50 SECONDS EAST A DISTANCE OF 168.5 FEET TO THE POINT OF BEGINNING, ALL IN THE LANDINGS PLANNED UNIT DEVELOPMENT, BEING A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF SECTION 19, TOWNSHIP 36 NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

PERPETUAL, NON-EXCLUSIVE EASEMENTS FOR THE PURPOSE OF PARKING, INGRESS AND EGRESS, AND COMMON UTILITY FACILITIES AS SET FORTH IN DECLARATION OF RECIPROCAL EASEMENTS AND OPERATING COVENANTS

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RECORDED AUGUST 16, 1985 AS DOCUMENT NUMBER 85149087 AND AS CREATED BY DEED FROM AMALGAMATED TRUST & SAVINGS BANK, AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 21, 1984 AND KNOWN AS TRUST NUMBER 4951, TO SERVICE MERCHANDISE COMPANY, INC., RECORDED OCTOBER 15, 1985 AS DOCUMENT 85235395 AND AS AMENDED BY FIRST AMENDMENT TO SAID DECLARATION RECORDED DECEMBER 18, 1985 AS DOCUMENT 85329731 AND AS FURTHER AMENDED BY SECOND AMENDMENT TO SAID DECLARATION RECORDED MARCH 11, 1988 AS DOCUMENT 88103519, AND AS FURTHER AMENDED BY THIRD AMENDMENT TO DECLARATION OF RECIPROCAL EASEMENTS AND OPERATING AGREEMENT RECORDED MAY 10, 2000 AS DOCUMENT 00331108, OVER AND ACROSS "COMMON AREA" AS SUCH IS DEFINED AND LIMITED THEREIN AND ASSIGNED BY VIRTUE OF QUITCLAIM, ASSIGNMENT AND ASSUMPTION OF OPERATING AGREEMENT MADE BY AND BETWEEN SERVICE MERCHANDISE COMPANY, INC. AND SM LTCB LANSING, LLC DATED DECEMBER 3, 2002 RECORDED ON DECEMBER 24, 2002 AS DOCUMENT NUMBER 0021433426.

PARCEL 3:

PERPETUAL, NON-EXCLUSIVE EASEMENTS FOR INGRESS AND EGRESS AND UTILITY FACILITIES AS SET FORTH IN ROAD AND UTILITY RECIPROCAL EASEMENT AGREEMENT DATED JULY 31, 1985 RECORDED AUGUST 16, 1985 AS DOCUMENT 85149084 AND AMENDMENT THERETO DATED JANUARY 15, 1986 RECORDED SEPTEMBER 30, 1986 AS DOCUMENT 86446672, OVER THAT PORTION OF NORTH EDGE ROAD RIGHT OF WAY AS DEFINED AND LIMITED THEREIN AND ASSIGNED BY VIRTUE OF QUITCLAIM, ASSIGNMENT AND ASSUMPTION OF OPERATING AGREEMENT MADE BY AND BETWEEN SERVICE MERCHANDISE COMPANY, INC. AND SM LTCB LANSING, LLC DATED DECEMBER 3, 2002 RECORDED ON DECEMBER 24, 2002 AS DOCUMENT NUMBER 0021433426.

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EXHIBIT B PERSONAL PROPERTY COLLATERAL

As used in this Exhibit B, the term “Premises” means that certain real property, including all improvements thereon, more particularly described in Schedule 1 attached hereto. All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of December 20, 2006 by and from SM LTCB LANSING, LLC, a Delaware limited liability company (“Debtor”), in favor of EUROHYPO AG, NEW YORK BRANCH, as Administrative Agent for the Lenders referred to therein (collectively, the “Secured Party”) (as amended, modified, extended, split or consolidated, the “Mortgage”).

- (a) All personal property in all of its forms, including, without limitation, all goods, supplies, equipment, furniture, furnishings, fixtures, machinery, inventory (including, without limitation, inventory as such term is defined in the Uniform Commercial Code), raw materials, work in process and construction materials which Debtor now or hereafter owns or in which Debtor now or hereafter acquires an interest or right, including, without limitation, those in which Debtor has an interest or right of any kind, those which are now or hereafter located on or affixed to the Premises, and those in transit thereto or in any other location, or used or useful in the operation, use or occupancy of the Premises or the construction of any improvements thereon, including, without limitation, all documents of title with respect to such personal property, any interest of Debtor in and to personal property that is leased or subject to any superior security interest, all books, records, ledger cards, leases, other documents of whatever kind or character, relating to the Premises;
- (b) All computer programs, tapes, disks, and related data processing software (owned by Debtor or in which it has an interest) that at any time evidence or contain information relating to the Premises or to Debtor’s business thereon;
- (c) All fees, income, rents, issues, profits, earnings, receipts, royalties and revenues which, after the date hereof and while any portion of the indebtedness secured hereby remains unpaid, may accrue to Debtor from such goods, fixtures, furnishings, equipment and building materials or any part thereof located on the Premises, or which may be received or receivable by Debtor from any hiring, using, letting, leasing, subhiring, subletting, or subleasing of the Premises;
- (d) All of Debtor’s present and future rights and claims to receive payments of money, utility deposits, services or property relating to the Premises, including, without limitation, rights to all deposits from tenants of the Premises, rights to receive payment with respect to media and advertising agreements and sponsorships, amounts payable on account of the sale of interests in Debtor, accounts receivable, deposit or other accounts (including, without limitation, deposit accounts maintained with Secured Party; and accounts as that term is defined in the Uniform Commercial Code), chattel paper, notes, drafts, contract rights, rights to performance, instruments (including, without limitation, instruments as such term is defined in the Uniform Commercial Code), general intangibles, principal, interest and payments due on account of goods sold,

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services rendered, loans made or credit extended, guaranties, letters of credit, documents, drafts, acceptances, and tax refunds, together with title or interest in all documents evidencing or securing the same, and judgments taken on any rights or claims which now or hereafter relate to, are derived from or used in connection with the Premises or the ownership, construction, use, operation, maintenance, occupancy or enjoyment thereof or the conduct of business or activities therefrom;

(e) All of Debtor's rights and interests in all other general intangibles including all payment intangibles (as in the foregoing terms are defined in Uniform Commercial Code) and rights relating to the Premises or the construction, development, use or operation thereof, or used in connection therewith, including but not limited to all governmental permits relating to construction or other activities on the Premises, all names under or by which the Premises may at any time be operated or known, all rights to carry on business under any such names, or any variant thereof, all trade names, trademarks and franchises relating in any way to the Premises, all patents and copyrights of Debtor relating in any way to the Premises, all good will in any way relating to the Premises, all licenses and permits relating in any way to, or to the operation of, the Premises, all contract rights, all options, all purchase orders, all manufacturers' warranties with respect to improvements, all construction contracts, all maintenance contracts, and all of Debtor's claims and rights arising under or pursuant to Section 365 of the Bankruptcy Code, 11 U.S.C. § 365;

(f) All of Debtor's rights under all warranties, guaranties or insurance policies (whether or not Secured Party is the loss payee thereunder) covering the Premises or any of the aforesaid collateral, and all proceeds, loss payments and premium refunds payable regarding the same;

(g) All of Debtor's rights and interests in reserves, deferred payments, deposits, refunds, cost savings and payments of any kind relating to the construction of any improvements on the Premises;

(h) All of Debtor's rights and interests in all causes of action, claims compensation and recoveries for any damage to or condemnation or taking of the Premises or the aforesaid collateral, or for any conveyance in lieu thereof, whether direct or consequential, or for any damage or injury to the Premises or the aforesaid collateral, or for any loss or diminution in value of the Premises or the aforesaid collateral;

(i) All architectural, structural, mechanical and engineering plans and specifications prepared for construction of improvements or extraction of minerals or gravel from the Premises and all studies, data and drawings related thereto; and also all contracts and agreements relating to the aforesaid plans and specifications or to the aforesaid studies, data and drawings or to the construction of improvements on or extraction of minerals or gravel from the Premises;

(j) All sums on deposit with the Secured Party for any reason whatsoever pursuant to the terms and provisions of the Mortgage;

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(k) All water stock relating to the premises, all shares of stock or other evidence of ownership of any part of the Premises that is owned by Debtor in common with others, and all documents of membership in any owners' or members' association or similar group having responsibility for managing or operating any part of the Premises; and

(l) All proceeds, products, offspring, rents, profits, income, benefits, accessions, substitutions and replacements from sale, collection, exchange or other disposition of the aforesaid collateral, whether such disposition is voluntary or involuntary.

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SCHEDULE 1

LEGAL DESCRIPTION OF LAND

PINs: 30-19-300-019-0000
 30-19-300-038-0000
 30-19-300-039-0000

Address: 16795 South Torrence Avenue, Lansing, IL 60438

PARCEL 1:

LOT 8 (EXCEPT THAT PART DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LOT 10, THENCE NORTH 0 DEGREES 15 MINUTES 50 SECONDS EAST OF THE EAST LINE OF LOT 10 EXTENDED NORTH A DISTANCE OF 6.5 FEET; THENCE NORTH 89 DEGREES 44 MINUTES 10 SECONDS WEST A DISTANCE OF 15.0 FEET TO THE WEST LINE OF LOT 8; THENCE SOUTH 0 DEGREES 15 MINUTES 50 SECONDS WEST A DISTANCE A DISTANCE OF 6.5 FEET TO THE NORTH LINE OF LOT 10; THENCE SOUTH 89 DEGREES 44 MINUTES 10 SECONDS EAST A DISTANCE OF 15.0 FEET TO THE POINT OF BEGINNING)

ALSO

THE SOUTH 8.5 FEET OF THE EAST 18.25 FEET OF THE WEST 33.0 FEET OF LOT 9;

ALSO

THE SOUTH 1.00 FOOT OF THE EAST 241 FEET OF LOT 9;

ALSO

THAT PART OF OUTLOT A DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST SOUTHWESTERLY CORNER OF LOT 9, THENCE SOUTH 89 DEGREES 44 MINUTES 10 SECONDS EAST OF THE SOUTH LINE OF LOT 9 A DISTANCE OF 14.75 FEET TO THE POINT OF BEGINNING, THENCE CONTINUING SOUTH 89 DEGREES 44 MINUTES 10 SECONDS EAST A DISTANCE OF 3.25 FEET TO THE WEST LINE OF LOT 8; THENCE SOUTH 0 DEGREES 15 MINUTES 50 SECONDS WEST A DISTANCE OF 168.5 FEET; THENCE NORTH 89 DEGREES 44 MINUTES 10 SECONDS WEST A DISTANCE OF 3.25 FEET; THENCE NORTH 0 DEGREES 15 MINUTES 50 SECONDS EAST A DISTANCE OF 168.5 FEET TO THE POINT OF BEGINNING, ALL IN THE LANDINGS PLANNED UNIT DEVELOPMENT, BEING A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF SECTION 19, TOWNSHIP 36 NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

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PERPETUAL, NON-EXCLUSIVE EASEMENTS FOR THE PURPOSE OF PARKING, INGRESS AND EGRESS, AND COMMON UTILITY FACILITIES AS SET FORTH IN DECLARATION OF RECIPROCAL EASEMENTS AND OPERATING COVENANTS RECORDED AUGUST 16, 1985 AS DOCUMENT NUMBER 85149087 AND AS CREATED BY DEED FROM AMALGAMATED TRUST & SAVINGS BANK, AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 21, 1984 AND KNOWN AS TRUST NUMBER 4951, TO SERVICE MERCHANDISE COMPANY, INC., RECORDED OCTOBER 15, 1985 AS DOCUMENT 85235395 AND AS AMENDED BY FIRST AMENDMENT TO SAID DECLARATION RECORDED DECEMBER 18, 1985 AS DOCUMENT 85329731 AND AS FURTHER AMENDED BY SECOND AMENDMENT TO SAID DECLARATION RECORDED MARCH 11, 1988 AS DOCUMENT 88103519, AND AS FURTHER AMENDED BY THIRD AMENDMENT TO DECLARATION OF RECIPROCAL EASEMENTS AND OPERATING AGREEMENT RECORDED MAY 10, 2000 AS DOCUMENT 00331108, OVER AND ACROSS "COMMON AREA" AS SUCH IS DEFINED AND LIMITED THEREIN AND ASSIGNED BY VIRTUE OF QUITCLAIM, ASSIGNMENT AND ASSUMPTION OF OPERATING AGREEMENT MADE BY AND BETWEEN SERVICE MERCHANDISE COMPANY, INC. AND SM LTCB LANSING, LLC DATED DECEMBER 3, 2002 RECORDED ON DECEMBER 24, 2002 AS DOCUMENT NUMBER 0021433426.

PARCEL 3:

PERPETUAL, NON-EXCLUSIVE EASEMENTS FOR INGRESS AND EGRESS AND UTILITY FACILITIES AS SET FORTH IN ROAD AND UTILITY RECIPROCAL EASEMENT AGREEMENT DATED JULY 31, 1985 RECORDED AUGUST 16, 1985 AS DOCUMENT 85149084 AND AMENDMENT THERE TO DATED JANUARY 15, 1986 RECORDED SEPTEMBER 30, 1986 AS DOCUMENT 86446672, OVER THAT PORTION OF NORTH EDGE ROAD RIGHT OF WAY AS DEFINED AND LIMITED THEREIN AND ASSIGNED BY VIRTUE OF QUITCLAIM, ASSIGNMENT AND ASSUMPTION OF OPERATING AGREEMENT MADE BY AND BETWEEN SERVICE MERCHANDISE COMPANY, INC. AND SM LTCB LANSING, LLC DATED DECEMBER 3, 2002 RECORDED ON DECEMBER 24, 2002 AS DOCUMENT NUMBER 0021433426.

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EXHIBIT C LIST OF BORROWERS

SM LTCB Louisville, LLC, a Delaware limited liability company
 SM LTCB St. Petersburg, LLC, a Delaware limited liability company
 SM LTCB Stuart, LLC, a Delaware limited liability company
 SM Newco Orlando-West Colonial Drive, LLC, a Delaware limited liability company
 SM LTCB Lansing, LLC, a Delaware limited liability company
 SM Newco Las Vegas, LLC, a Delaware limited liability company
 SM LTCB Baytown, L.P., a Texas limited partnership
 SM Newco Downers Grove, LLC, a Delaware limited liability company
 SM Newco Evansville, LLC, a Delaware limited liability company
 SM Newco Burlington, LLC, a Delaware limited liability company
 SM Newco Owensboro, LLC, a Delaware limited liability company
 SM Newco Mesa, LLC, a Delaware limited liability company
 SM Newco Paducah, LLC, a Delaware limited liability company
 SM Newco Huntsville, LLC, a Delaware limited liability company
 SM Newco Middletown, LLC, a Delaware limited liability company
 SM Newco Warr Acres, LLC, a Delaware limited liability company
 SM Newco Burbank, LLC, a Delaware limited liability company
 SM Newco Dover, LLC, a Delaware limited liability company
 SM Newco Houma, LLC, a Delaware limited liability company
 SM Newco Salem, LLC, a Delaware limited liability company
 SM Newco Ocala, LLC, a Delaware limited liability company
 SM Newco Knoxville, LLC, a Delaware limited liability company
 SM Newco Tampa, LLC, a Delaware limited liability company
 SM Newco Mesa – East Southern Avenue, LLC, a Delaware limited liability company
 SM Newco Bradenton, LLC, a Delaware limited liability company
 SM Newco Crystal Lake, LLC, a Delaware limited liability company
 SM Newco Chesapeake, LLC, a Delaware limited liability company
 SM Newco Sugar Land, L.P., a Texas limited partnership
 SM Newco Manchester, LLC, a Delaware limited liability company
 SM Newco Pembroke Pines, LLC, a Delaware limited liability company
 SM Newco Hattiesburg, LLC, a Delaware limited liability company
 SM Newco Raleigh, LLC, a Delaware limited liability company
 SM Newco Bossier City, LLC, a Delaware limited liability company
 SM Newco Westland, LLC, a Delaware limited liability company
 SM Newco Wayne, LLC, a Delaware limited liability company
 SM Newco Paramus, LLC, a Delaware limited liability company
 SM Newco Lexington, LLC, a Delaware limited liability company
 SM Newco Swansea, LLC, a Delaware limited liability company
 SM Newco Danbury, LLC, a Delaware limited liability company
 Service Pensacola, LLC, a Delaware limited liability company
 Service Baton Rouge, LLC, a Delaware limited liability company
 Service Longview, L.P., a Texas limited partnership
 SM Newco Duluth, LLC, a Delaware limited liability company
 SM Newco Metairie, LLC, a Delaware limited liability company

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- SM Newco North Charleston, LLC, a Delaware limited liability company
- SM Newco Antioch, LLC, a Delaware limited liability company
- SM Newco Franklin, LLC, a Delaware limited liability company
- SM Newco McAllen, L.P., a Texas limited partnership
- SM Newco Richardson, L.P., a Texas limited partnership
- SM Newco Pensacola, LLC, a Delaware limited liability company
- SM Newco Longview, L.P., a Texas limited partnership

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