



Doc#: 0725444034 Fee: \$92.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 09/11/2007 11:56 AM Pg: 1 of 35

This instrument was prepared by
and upon recordation should be
returned to:
David Greenman
Enterprise Counsel Group
18800 Von Karman, Suite 100
Irvine, CA 92612

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage") is made and executed as of the 30th day of August, 2007, by 140-200 S. ROSELLE ROAD, LLC, a Delaware limited liability company ("Grantor"), whose mailing address is c/o RREEF, 875 N. Michigan Avenue, 41st Floor, Chicago, IL 60611, to, in favor and for the benefit of STATE FARM BANK, F.S.B., a federal savings bank (together with its successors and assigns, "State Farm"), whose mailing address is One State Farm Plaza, Bloomington, Illinois 61710, and encumbers the real estate ("Real Estate") described on Exhibit "A" attached hereto and made a part hereof.

ARTICLE ONE
RECITALS

1.1 Note.

Grantor has executed and delivered to State Farm a Promissory Note (the "Note") of even date herewith. In the Note, Grantor promises to pay to the order of State Farm the principal sum of Fourteen Million Five Hundred Thousand Dollars (\$14,500,000.00) (the "Loan"). This Mortgage secures the Loan. From the date hereof the Loan shall be repaid with interest thereon, in monthly installments as set forth in the Note, and the entire unpaid principal balance and all accrued interest thereon shall be due and payable on September 1, 2012 (the "Maturity Date"). The terms and provisions of the Note are by this reference thereto incorporated herein and made a part hereof.

1.2 Indebtedness.

The indebtedness evidenced by the Note, including principal, interest and prepayment premium, if any, together with all other sums which may at any time be due, owing or required to be paid under the Note, this Mortgage and the other Loan Documents (as defined below) are herein called the "Indebtedness".

1.3 Loan Documents.

In addition to this Mortgage and the Note, there have been executed and delivered by Grantor to and in favor of State Farm, as security for the payment of the Indebtedness, certain other loan documents more particularly described on Exhibit "B" attached hereto and by this reference thereto made a part hereof (the Note, this Mortgage and all other documents and instruments described on said Exhibit "B", whether now or hereafter existing, and as same may be hereafter amended,

35

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modified or supplemented from time to time, are collectively referred to herein as the "Loan Documents").

ARTICLE TWO THE GRANT

In order to secure the payment of the sums that are now or may hereafter become owing from Grantor to State Farm: (i) as the payments required in the Loan Documents, (ii) as a result of the non-performance of any of the terms, provisions, covenants, agreements, and obligations contained herein or under the Loan Documents, or (iii) as a result of a breach of the terms, provisions, covenants, agreements, representations, warranties and certifications made in the Loan Documents (collectively, the "Obligations") (whether or not Grantor is personally liable for such payment, performance or observance), and in consideration of the sum of Ten and No/100 Dollars (\$10.00), in hand paid by State Farm to Grantor, the Recitals herein above stated in Article One, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, **GRANTOR HEREBY GRANTS, BARGAINS, SELLS, CONVEYS, TRANSFERS, ASSIGNS, WARRANTS, AND SETS OVER TO STATE FARM AND ITS SUCCESSORS OR SUBSTITUTES FOREVER**, a present and continuing lien upon and security interest in and to, upon the terms, provisions and conditions herein set forth, all of the following rights, interests, claims, and property (collectively the "Remises"):

(a) all the Real Estate described in Exhibit "A" attached hereto and by this reference incorporated herein and made a part hereof;

(b) all buildings, structures, and other improvements now or hereafter constructed, erected, installed, placed or situated upon the Real Estate (collectively the "Improvements");

(c) all estate, claim, demand, right, title and interest of Grantor now owned or hereafter acquired, including without limitation, any after-acquired title, franchise, license, remainder or reversion, in and to the following, to the extent assignable: (i) any land or vaults lying within the right-of-way of any street, avenue, way, passage, highway or alley, open or proposed, vacated or otherwise, adjoining the Real Estate; (ii) any and all alleys, sidewalks, streets, avenues, strips and gores of land adjacent, belonging or appertaining to the Real Estate and Improvements; (iii) all rights of ingress and egress to and from the Real Estate and all adjoining property; (iv) storm and sanitary sewer, water, gas, electric, railway, telephone, and all other utility services relating to the Real Estate and Improvements; (v) all land use, zoning, developmental rights and approvals, all air rights, water, water rights, water stock, gas, oil, minerals, coal, and other substances of any kind or character underlying or relating to the Real Estate or any part thereof; and (vi) each and all of the tenements, hereditaments, easements, appurtenances, other rights, liberties, reservations, allowances, and privileges relating to the Real Estate or the Improvements or in any way now or hereafter appertaining thereto, including homestead and any other claim at law or in equity (collectively the "Appurtenances");

(d) all leasehold estates and the right, title, and interest of Grantor in, to and under any and all leases, subleases, management agreements, arrangements, concessions, or agreements, written or oral, relating to the use and occupancy of the Real Estate and Improvements or any portion

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thereof, now or hereafter existing or entered into, including the Major Leases described in **Section 3.18** (collectively the "**Leases**");

(e) all rents, issues, profits, proceeds, income, revenues, royalties, advantages, avails, claims against guarantors, security and other deposits (whether in cash or other form), advance rentals, and any and all other payments or benefits now or hereafter derived, directly or indirectly, from the Leases (collectively the "**Rents**"); subject, however, to the right, power, and authority (the "**License**") granted Grantor in the Assignment of Rents and Leases executed by Grantor to and in favor of State Farm of even date herewith (the "**Assignment of Rents and Leases**") to collect and apply the Rents as provided therein;

(f) to the extent assignable, all right, title and interest of Grantor in and to any and all contracts, written or oral, express or implied, now existing or hereafter entered into or arising, in any manner related to the improvement, use, operation, sale, conversion or other disposition of any interest in the Premises, including without limitation all options to purchase or lease the Real Estate or Improvements or any portion thereof or interest therein, or any other rights, interests or greater estates in the rights and properties comprising the Premises, now owned or hereafter acquired by Grantor (collectively the "**Contract Rights**");

(g) to the extent assignable, all general intangibles of Grantor, including without limitation, goodwill, trademarks, trade names, option rights, permits, licenses, insurance policies and proceeds therefrom, rights of action, and books and records relating to the Real Estate or Improvements (collectively the "**Intangible Personal Property**");

(h) all right, title and interest of Grantor in and to all fixtures, equipment and tangible personal property of every kind, nature or description, attached or affixed to or situated upon or within the Real Estate or Improvements, or both, provided the same are used, usable, or intended to be used for or in connection with any present or future use, occupation, operation, maintenance, management or enjoyment of the Real Estate or Improvements (collectively the "**Tangible Personal Property**");

(i) to the extent assignable, all proceeds of the conversion, voluntary or involuntary, of any of the Premises into cash or other liquidated claims, or that are otherwise payable for injury to, or the taking or requisitioning of the Premises, including all insurance and condemnation proceeds as provided in this Mortgage (collectively the "**Proceeds**");

(j) all Tax and Insurance Deposits (as hereinafter defined); and

(k) to the extent assignable, all other property, rights, interests, estates, or claims of every name, kind, character or nature, both in law and in equity, which Grantor now has or may hereafter acquire in the Real Estate and Improvements and all other property, rights, interests, estates or claims of any name, kind, character or nature or properties now owned or hereafter acquired in the other properties and interests comprising the Premises ("**Other Rights and Interests**").

Grantor agrees that without the necessity of any further act of Grantor or State Farm, the lien of and the security interest created in and by this Mortgage shall automatically extend to and include

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any and all renewals, replacements, substitutions, accessions, products or additions to and proceeds of the Premises.

TO HAVE AND TO HOLD the Premises hereby mortgaged and conveyed or so intended, unto State Farm, its successors and assigns, forever, free from all rights and benefits under and by virtue of the homestead exemption laws or similar laws of the State or other jurisdiction in which the Premises are located (which rights and benefits are hereby expressly released and waived), for the uses and purposes herein set forth.

Grantor hereby covenants with and warrants to State Farm and the purchaser at any foreclosure sale that at the execution and delivery hereof, Grantor is lawfully seized and possessed of and owns the Premises and every part thereof, and has good and marketable title to the indefeasible estate therein, in fee simple; that the Premises are free from all encumbrances whatsoever (and any claim of any other person thereto) other than those approved and permitted by State Farm in writing ("**Permitted Exceptions**"); that it has good and lawful right to sell, convey, mortgage and encumber the Premises; and that Grantor and its successors and assigns shall forever warrant and defend the title and quiet possession to the Premises against all claims and demands whatsoever.

ARTICLE THREE GENERAL AGREEMENTS

To protect the security of this Mortgage, Grantor further covenants and agrees as follows:

3.1 Recitals.

The recitals set forth above are true and correct and are by reference incorporated herein.

3.2 Obligations.

Grantor shall pay promptly each and every sum due to State Farm under the Loan Documents either as the payments due under any of the terms thereof, as sums due as a result of the nonperformance of any of the covenants, agreements, and obligations thereof, or as amounts due as a result of a breach of any of the representations, warranties, and certifications contained therein (including fees and charges), at the times and in the manner provided in the Loan Documents. All such sums payable by Grantor shall be paid without demand, counterclaim, offset, deduction, or defense. Grantor hereby waives all rights now or hereafter conferred by statute or otherwise to any such demand, counterclaim, offset, deduction, or defense.

3.3 Other Payments.

(a) Grantor shall deposit, in addition to the monthly installments of principal and interest required by the Note, monthly until the Indebtedness is fully paid the following sums (collectively the "**Tax and Insurance Deposits**"):

(i) a sum equal to one-twelfth (1/12th) of the annual Taxes (as hereinafter defined) next due on the Premises, all as reasonably estimated by State Farm (the "**Tax Deposits**");

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(ii) a sum equal to one-twelfth (1/12th) of the annual premium or premiums next payable for the insurance hereinafter required to be maintained on or with respect to the Premises (the "**Insurance Deposits**"); and

(iii) amounts paid as Tax and Insurance Deposits are herein called "**Other Payments**".

(b) Should the total Tax and Insurance Deposits on hand not be sufficient to pay all of the Taxes and insurance premiums, together with all penalties and interest thereon, when the same become due and payable, then Grantor shall pay to State Farm promptly on demand any amount necessary to make up the deficiency. If the total of such Tax and Insurance Deposits exceeds the amount required to pay the Taxes and insurance premiums, such excess shall be credited on subsequent payments to be made for such items.

(c) All such Tax and Insurance Deposits:

(i) shall be held by State Farm or a depository designated by State Farm, in trust, with no obligation to segregate such payments and without any obligation arising for the payment of any interest thereon;

(ii) shall be held in trust to be applied by State Farm for the purposes for which made (as herein above provided) subject, however, to the security interest granted State Farm therein pursuant to **Article Two**; and

(iii) shall not be subject to the direction or control of Grantor.

(d) Provided there are sufficient funds in the Tax and Insurance Deposits, State Farm agrees to make the payment of the Taxes or insurance premiums with reasonable promptness following its receipt of appropriate tax and/or insurance bills therefor, or alternatively upon presentation by Grantor of receipted (i.e. paid) tax and/or insurance bills therefor, State Farm shall reimburse Grantor for such Taxes and insurance premium payments made by Grantor.

(e) Upon the occurrence and during the continuance of an Event of Default (as defined below), State Farm may, at its option, without being required to do so, apply any Tax and Insurance Deposits on hand on account of any of the Indebtedness, in such order and manner as State Farm may elect. When the Indebtedness has been fully paid, then any remaining Tax and Insurance Deposits shall be paid to Grantor.

3.4 Maintenance, Repair, Restoration, Prior Liens, Parking.

Grantor shall and hereby agrees to:

(a) promptly repair, restore, replace, or rebuild any portion of the Improvements which may become damaged or destroyed, if the proceeds of insurance are made available, regardless of whether such proceeds are sufficient for such purpose, with all replacements being at least equal in quality and condition as existed prior thereto, free from any security interest therein, encumbrances thereon, or reservation of title thereto;

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(b) keep the Improvements in good condition and repair, without waste, and free from mechanics', materialmen's or like liens or claims or other liens or claims of lien;

(c) complete, within a reasonable time, any Improvements now or hereafter in the process of construction or erection upon the Real Estate;

(d) comply in all material respects with all statutes, rules, regulations, orders, decrees and other requirements of any governmental body, whether federal, state, or local, having jurisdiction over the Premises and the use thereof and observe and comply with any conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions that are applicable to the Premises or its use and occupancy;

(e) make no material alterations in or to the Improvements, except as required in **paragraph (d)** hereof or to comply with paragraphs (b) or (i) hereof or the terms of any Lease, or otherwise with the written consent of State Farm and in conformity with all applicable laws;

(f) not suffer nor permit any change in the general nature of the occupancy of the Improvements without State Farm's prior written consent;

(g) pay when due all operating costs of the Improvements;

(h) not initiate nor acquiesce in any zoning reclassification with respect to the Premises without State Farm's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed;

(i) in all material respects, provide, improve, grade, surface and thereafter maintain, clean, repair and adequately light all parking areas upon the Real Estate of sufficient size to accommodate the greater of (a) the amount of standard-size vehicles required by law, ordinance, regulation, or (b) required by the terms of any lease which is subject to the Assignment of Rents and Leases, together with any sidewalks, aisles, streets, driveways and sidewalk cuts and sufficient paved areas for ingress, egress and rights-of-way to and from the adjacent thoroughfares necessary or desirable for the use thereof; and

(j) forever warrant and defend its title to the Premises and the validity, enforceability and priority of the lien and security interests granted in and by this Mortgage and the other Loan Documents against the claims and demands of all persons.

3.5 Property Taxes and Contest of Liens.

Notwithstanding the Other Payments required by **Section 3.3**, but subject to State Farm's agreement to apply the Other Payments thereto provided in **Section 3.3(d)**, Grantor shall be responsible for the payment, when first due and owing and before delinquency and before any penalty attaches, of all real estate and personal property taxes and assessments (general or special), water charges, sewer charges and any other charges, fees, taxes, claims, levies, charges, expenses, liens and assessments, ordinary or extraordinary, governmental or nongovernmental, statutory or otherwise, that may be asserted against the Premises or any part thereof or interest therein

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("Taxes"). Notwithstanding anything contained herein to the contrary, Grantor may, in good faith and with reasonable diligence, contest the validity or amount of any such Taxes as well as any mechanics', materialmen's, or other liens or claims of lien upon the Premises (collectively "Contested Liens"), provided that:

(a) If available under applicable law, Grantor posts a statutory lien bond which removes such lien from title to the Project within twenty (20) days after Grantor becomes aware of the existence of the lien; and

(b) Grantor shall first notify State Farm in writing of the intention of Grantor to contest the same before any Contested Liens have been increased by any interest, penalties, or costs.

3.6 Tax and Lien Payments by State Farm.

(a) Upon the failure of Grantor to pay the Tax Deposits as required in Section 3.3 or (in the event said payments are waived by State Farm) to pay the Taxes required to be paid in Section 3.5 above, State Farm is authorized, in its sole discretion, to make any payment of Taxes levied, assessed or asserted against the Premises, or any part thereof, in accordance with any tax bill or statement from the appropriate public office without inquiry into the accuracy or validity of any Taxes, sales, forfeiture, or title or claim relating thereto.

(b) State Farm is also authorized, in the place and stead of Grantor, to make any payment relating to any apparent or threatened adverse title, lien, claim of lien, encumbrance, claim, charge, or payment otherwise relating to any other purpose but not enumerated in this Section, whenever, in State Farm's judgment and discretion, such advance seems necessary to protect the full security intended to be created by this Mortgage.

(c) All such advances authorized by this Section 3.6 shall constitute additional Indebtedness and shall be repaid by Grantor to State Farm upon demand with interest at the Default Rate (as defined in the Note) from the date of such advance.

3.7 Insurance.

(a) Grantor shall insure and keep insured the Premises and each and every part thereof against such perils and hazards as State Farm may from time to time require, and in any event including:

(i) Property insurance against loss of and damage to the Improvements by all risks of physical loss or damage, including by fire, windstorm, flood and other risks covered by the so-called extended endorsement in an amount equal to one hundred percent (100%) of the then current "full replacement cost" of all Improvements, fixtures and equipment from time to time on the Improvements without deduction for physical depreciation, with a deductible amount of not more than \$200,000.00;

(ii) Commercial general liability insurance against death, bodily injury and property damage in an amount of not less than \$1,000,000.00;

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(iii) Steam boiler, machinery and pressurized vessel insurance (if applicable to the Improvements);

(iv) Rent loss insurance in an amount sufficient to cover loss of rents from the Premises for a minimum of twelve (12) months;

(v) If any building or other structure on the Real Estate is situated in an area now or hereafter designated by the Federal Emergency Management Agency as a "Special Flood Hazard Area" (Zone A or Zone V), evidence of flood insurance in an amount equal to the least of (a) the minimum amount required under the terms of the coverage to compensate for any damage or loss on a full replacement cost basis; (b) the unpaid principal balance of the Indebtedness; or (c) the maximum limit of coverage available for the Premises under the National Flood Insurance Program; provided, however, that, in the event the unpaid principal balance of the Indebtedness is less than 80% of the replacement cost under subsection (a) of this grammatical paragraph, the flood insurance coverage shall be in an amount equal to the lesser of the amounts set forth in subsections (a) or (c) of this grammatical paragraph;

(vi) Either (a) affirmative coverage for windstorm and named storms in its property insurance; or (b) evidence that coverage for windstorm and named storms is not excluded from its property insurance;

(vii) Affirmative coverage for acts of terrorism under Grantor's property and liability insurance required under Sections 3.7(a)(i) and (ii) above or evidence that such coverage is not excluded from such insurance; provided, however, Grantor shall not be required to obtain coverage for acts of terrorism unless (i) such coverage is available at commercially reasonable rates and on commercially reasonable terms, and (ii) other institutional owners of similar real estate customarily obtain such coverage for multi-family apartment projects located in Schaumburg, Illinois of the same size, type and design as the Improvements; and

(viii) The types and amounts of coverage as are customarily maintained by owners or operators of like properties.

(b) Insurance policies required by this Section 3.7 shall:

(i) be in amounts and form and issued by companies reasonably satisfactory to State Farm and shall comply with all provisions of this Mortgage, provided, however, that in no event shall Grantor be required to deliver original or copies of insurance policies, it being agreed that certificates of insurance with all coverage and exclusions shown shall constitute acceptable evidence of insurance;

(ii) contain endorsements naming State Farm as mortgagee under a standard mortgagee clause under the required property and rent loss insurance policies and as an additional insured for the commercial general liability insurance policy;

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(iii) contain endorsements providing for not less than thirty (30) days' written notice from the insurance company to State Farm prior to any cancellation, non-renewal or termination;

(iv) include blanket policies as permissible policies; and

(v) require that settlement of any claim under any of the referenced policies shall require State Farm's prior written approval.

(c) The certificates of such insurance or certificates of insurance evidencing the required coverage shall be delivered to State Farm within fifteen (15) days prior to the termination of an existing policy.

(d) Grantor shall not purchase separate insurance policies concurrent in form or contributing in the event of loss with those policies required to be maintained under this **Section 3.7**.

3.8 Insurance Premium Payment by State Farm.

(a) In the event Grantor fails to make the Insurance Deposits as required by **Section 3.3** or (if those payments have been waived) upon State Farm's receipt (i) of notice of an unpaid insurance premium beyond the date such payment becomes delinquent, (ii) of notice of a termination or cancellation of any required insurance policy, or (iii) of notice that a required insurance policy is not to be renewed and in the case of (i), (ii) or (iii) Grantor fails to provide evidence of replacement coverage at least fifteen (15) days prior to the termination of existing coverage, State Farm may, at its option and following three business days' written notice to Grantor, procure and substitute another policy of insurance in the amount required pursuant to the foregoing terms of this Mortgage with such companies as State Farm may select, the cost of which shall be paid by Grantor upon demand should the amount available from the Insurance Deposit be insufficient to pay the premium therefor. All sums paid by State Farm in procuring said insurance that are not promptly reimbursed by Grantor shall be additional Indebtedness and shall be immediately due and payable without notice, with interest thereon at the Default Rate as defined in the Note.

(b) In the event of any insured damage to or destruction of the Improvements or any part thereof, Grantor shall promptly notify State Farm and take such steps as necessary to preserve the undamaged portion of the Improvements. In the event such proceeds do not exceed \$250,000 ("**Minimal Proceeds**") with respect to any single casualty, such proceeds shall be paid directly to Grantor and shall be used by Grantor to pay the cost of restoring, repairing, replacing, or rebuilding (herein generally called "**Restoration**") the Improvements or any part thereof. In the event the proceeds with respect to any single casualty exceed \$250,000, but are less than \$5,000,000.00 (the "**Application Proceeds**"), State Farm shall make the proceeds available to Grantor to be applied to the cost of Restoration of the Improvements or any part thereof in accordance with **Section 3.10**. In the event the proceeds with respect to any single casualty exceed \$5,000,000.00, in State Farm's sole discretion all insurance proceeds shall be applied: (i) to the installments of the Indebtedness in the inverse order of its maturity (provided, however, no premium or penalty shall be payable in connection with any prepayment of the Indebtedness from the

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insurance proceeds as aforesaid), or (ii) to the cost of Restoration of the Improvements or any part thereof. Provided however, if any Major Lease, as described in Section 3.18(b), requires the Restoration of the Improvements, then so long as (i) no Event of Default is in existence on the date of such damage or destruction of the Improvements and no event has occurred and is continuing as of such date which with the passage of time, the giving of notice or both, would constitute an Event of Default, and (ii) no tenant under any Major Lease is in default thereof as of such date and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute a default by the tenant under any Major Lease, such insurance proceeds, after deducting therefrom any reasonable third party expenses incurred protecting the undamaged portion of the Improvements and in the collection of the insurance proceeds, shall be disbursed by State Farm to Grantor to reimburse Grantor for the cost of Restoration as set forth in Section 3.10.

3.9 Condemnation.

(a) Grantor shall give State Farm prompt notice of any proceedings, instituted or threatened, seeking condemnation or taking by eminent domain or any like process (a "**Taking**") of all or any part of the Real Estate or Improvements including any easement thereon or appurtenance thereto (including severance of, consequential damage to, or change in grade of streets), and shall deliver to State Farm copies of any and all papers served in connection with any such proceeding.

(b) Grantor hereby assigns, transfers and sets over unto State Farm the entire proceeds of any and all awards resulting from any Taking (the "**Award**"). State Farm is hereby authorized to collect and receive from the condemnation authorities the entire Award and is further authorized to give appropriate receipts and acquittances therefor.

(c) In the event the proceeds of any Taking do not exceed \$250,000, State Farm shall pay such proceeds to Grantor to be used by Grantor to pay the cost of Restoration of the Real Estate and Improvements or any part thereof. In the event the proceeds from any Taking exceed \$250,000, but are less than \$5,000,000.00, State Farm shall permit the proceeds to be applied to the cost of Restoration of the Real Estate and the Improvements or any part thereof in accordance with Section 3.10. In the event the proceeds of any Taking exceed \$5,000,000.00, such Award shall be applied, in State Farm's sole discretion: (i) to the installments of the Indebtedness in the inverse order of their maturity (provided, however, no premium or penalty shall be payable in connection with any prepayment of the Indebtedness made out of such Award as aforesaid); or (ii) to the cost of Restoration of the Real Estate and Improvements or any part thereof.

3.10 Restoration Using Proceeds.

(a) In the event State Farm elects or is required to make any Proceeds available for Restoration of the Real Estate and/or Improvements, but only with respect to Proceeds in excess of \$250,000, Grantor shall complete, in form and with supporting documentation reasonably required by State Farm, an estimate of the cost to repair or to restore the Real Estate and Improvements to the condition at least equal to the condition in which they existed prior to such damage, destruction or Taking, free from any security interest in, lien or encumbrances on, or reservation of title to such Real Estate and Improvements. Any Proceeds in an amount of \$250,000 or less shall be paid directly to Grantor to be applied to the cost of Restoration.

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(b) The Proceeds (except Proceeds less than \$250,000) necessary to complete Restoration shall be held by State Farm, or if State Farm so desires, a disbursing agent selected by State Farm. Said Proceeds may be invested using Grantor's taxpayer identification number in an interest bearing account mutually acceptable to Grantor and State Farm. The reasonable third party costs and expenses of administering disbursements shall be paid by Grantor. In the event the amount of the Proceeds are insufficient to cover the cost of Restoration, Grantor shall pay the cost of Restoration in excess of the Proceeds before being entitled to any reimbursement from the Proceeds.

(c) Subject to State Farm's right to limit the number of disbursements, the Proceeds (except Proceeds less than \$250,000) shall be disbursed from time to time upon State Farm's being furnished with architect's certificates, waivers of lien, contractor's sworn statements and such other evidences as State Farm or any disbursing agent may reasonably require to verify the cost and fact of the completion of the Improvements included in said disbursement. Under no circumstances shall any portion of the Proceeds (except Proceeds less than \$250,000) be released until State Farm has been reasonably assured that the Proceeds remaining after the requested disbursement will be sufficient to complete Restoration. No Payment made prior to the final completion of Restoration shall exceed ninety percent (90%) of the value of the work performed from time to time. Any Proceeds remaining after Restoration shall be applied at State Farm's option against the Indebtedness in the inverse order of its maturity.

3.11 Restrictions on Transfer

(a) Without the prior written consent of State Farm:

(i) Grantor shall not create, effect, contract for, commit or consent to, nor shall Grantor suffer or permit any sale, conveyance, transfer, assignment, collateral assignment, lien, other than Contested Liens as defined and permitted in Section 3.5 of this Mortgage, pledge, mortgage, security interest, or other hypothecation, encumbrance or alienation (or any agreement to do any of the foregoing) of the Premises, or any interest therein or title thereto, (excepting, however, the sale or other disposition of Collateral (as defined below) no longer useful in connection with the operation of the Premises ("Obsolete Collateral"), provided, however, that prior to the sale or other disposition of Obsolete Collateral, such Obsolete Collateral shall have been replaced by Collateral of at least equivalent value and utility which is subject to the first and prior lien of this Mortgage; or

(ii) Subject to Section 3.5 hereof, Grantor shall not fail to pay when the same shall become due all lawful claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in or permit the creation of a lien on the Real Estate or Improvements, or on the Rents arising therefrom; or

(iii) if Grantor is a land trustee ("Trustee Grantor"), any beneficiary of Grantor shall not create, effect, contract for, commit or consent to, or shall suffer or permit, any sale, conveyance, transfer, assignment, collateral assignment, lien, pledge, mortgage, security interest, or other hypothecation, encumbrance or alienation of such beneficiary's beneficial interest in Grantor; or

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(iv) if Grantor is a corporation or limited liability company, or if any corporation or limited liability company is a beneficiary of a Trustee Grantor, any shareholder of such corporation or limited liability company shall not create, effect, contract for, commit or consent to, or shall suffer or permit any sale, conveyance, transfer, assignment, collateral assignment, lien, pledge, mortgage, security interest, or other hypothecation, encumbrance or alienation of any such shareholder's shares of such corporation or limited liability company (provided, however, that if such corporation or limited liability company is a corporation or limited liability company whose stock is publicly traded on a national securities exchange or on the "Over The Counter" market, then this subparagraph (iv) shall be inapplicable); or

(v) if Grantor is a partnership or joint venture or if any beneficiary of a Trustee Grantor is a partnership or joint venture, any general partner or joint venturer in such partnership or joint venture shall not create, effect, contract for, commit or consent to, suffer, or permit any sale, conveyance, transfer, assignment, collateral assignment, lien, pledge, mortgage, security interest, or other hypothecation, encumbrance or alienation of any part of the partnership interest or joint venture interest, as the case may be, of such general partner or joint venturer; or

(vi) there shall not be any change in control (by way of transfers of stock ownership, partnership interests, or otherwise) in any corporation, limited liability company or partnership constituting or included within Grantor which directly or indirectly controls any corporation, limited liability company or partnership constituting or included within Grantor that results in a material change in the identity of the person(s) in control of such entity.

(b) It is expressly provided, however, that the foregoing provisions of this Section 3.11 shall not apply (i) to liens securing the indebtedness, or (ii) to the lien of current Taxes not in default. The provisions of this Section 3.11 shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Premises, or such beneficial interest in, share of stock of, or partnership or joint venture interest in Grantor or any beneficiary of a Trustee Grantor. Any waiver by State Farm of the provisions of this Section 3.11 shall not be deemed to be a waiver of the right of State Farm in the future to insist upon strict compliance with the provisions of this Section 3.11.

(c) Upon the sale or transfer of (i) all or any part of the Premises, or (ii) all or any part of the beneficial interest in Grantor (if Grantor is not a natural person or persons but is a corporation, limited liability company, partnership, trust or other legal entity) (the person or entity to whom or which all or any part of the Premises have been so sold or transferred, being the "Transferee"), without the prior written consent of State Farm, State Farm may, at State Farm's option, declare all of the sums secured by this Mortgage to be immediately due and payable. State Farm's consent to any such transfer, if given at all, shall be given only if and when the Transferee's credit worthiness and management ability are satisfactory to State Farm, and the proposed Transferee has executed, prior to any proposed sale or transfer, a written assumption agreement containing such terms as State Farm may require, including, without limitation, an increase in the rate of interest payable under the Note.

(d) Notwithstanding the restrictions set forth in subparagraphs (iv), (v) or (vi) of paragraph (a) of this Section, the sale or transfer of all or any part of the beneficial interest in

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Grantor shall be permitted (in any of the following cases a "**Permitted Interest Transfer**") without (i) such transfer constituting an Event of Default hereunder, (ii) resulting in the acceleration of the Loan, (iii) requiring the consent of State Farm, (iv) resulting in an increase in the rate of interest payable under the Note, and (v) payment of a transfer fee, so long as Grantor satisfies the following conditions precedent to such transfer:

- (i) thirty (30) days prior written notice of the proposed transfer must be provided to State Farm (provided, that only one such notice is required per transaction), together with (A) a description of the proposed sale or transfer, including a description of the nature and amount(s) of beneficial ownership interests proposed to be sold or transferred and a description of who owns the remainder not being transferred; (B) documentation related to the proposed transferee as required by State Farm in its sole and reasonable discretion including, without limitation, organizational documents, certificates of existence and final ownership allocation; (C) copies of the transfer documents pursuant to which the proposed transfer is to be effected; and (D) any additional information reasonably requested by State Farm regarding the proposed transfer and/or transferee;
- (ii) any such proposed sale or transfer shall not be permitted to any party who or which on the date of the proposed transfer is in a bankruptcy, insolvency, reorganization or other similar court or administrative proceeding;
- (iii) as of the date of such proposed transfer, no Event of Default under any of the Loan Documents exists, and no event shall have occurred or be in existence which, with the passage of time, the giving of notice, or both, would constitute an Event of Default under any of the Loan Documents;
- (iv) any such transfer shall not act to release Grantor or any party thereto from liability or obligation to which it is otherwise liable or obligated, if any, under the terms of the Loan Documents;
- (v) after giving effect to any such transfer, no additional liens shall be placed on the Premises;
- (vi) Grantor shall pay all of State Farm's reasonable third party attorney's fees and costs relating to the review and/or preparation of any documentation related to the proposed transfer, provided, however, the payment of a transfer fee will not be required;
- (vii) Grantor shall pay State Farm a processing fee in the amount of \$5,000.00; and
- (viii) After any such transfer, 51% of the ownership interest in Grantor must be owned, directly or indirectly, by SBC Master Pension Trust ("**SBC**"). Nothing set forth in this Mortgage or any other Loan Document shall constitute a restriction on the transferability of any ownership interests in SBC.

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The foregoing provisions of this subparagraph (d) shall not apply to or affect those provisions prohibiting the sale or transfer of fee title to the Premises, or any interest therein, or any part thereof, without State Farm's prior written consent.

3.12 State Farm's Dealings with Transferee.

In the event State Farm gives its written consent to a sale or transfer, whether by operation of law, voluntarily, or otherwise, of all or any part of the Premises, State Farm shall be authorized and empowered to deal with the Transferee with regard to the Premises, the Indebtedness and any of the terms or conditions of this Mortgage as fully and to the same extent as it might with the original Grantor, without in any way releasing or discharging the original Grantor from any of its covenants under this Mortgage, except as otherwise expressly provided in Section 3.11 hereof, and without waiving State Farm's right of acceleration of the maturity of the Indebtedness as provided in this Mortgage or the Note.

3.13 Change in Tax Laws.

In the event of the enactment of or change in (including a change in interpretation) any applicable law, in any manner changing or modifying the laws governing (i) the taxation of mortgages, deeds of trust or other security instruments or the debts secured thereby, or (ii) the manner of collecting such taxes, so as to adversely affect State Farm, this Mortgage or any other Loan Document or the Indebtedness, Grantor shall promptly pay any such tax and otherwise compensate State Farm to the extent of such detriment; provided, however, that if Grantor fails to make such payment or if any such law prohibits Grantor from making such payment or would penalize State Farm in the event of such payment, State Farm may elect, by notice in writing given to Grantor, to declare all of the Indebtedness secured hereby to be and become due and payable, at par, within sixty (60) days from the giving of such notice. Notwithstanding anything set forth herein or in any other Loan Document, no Prepayment Fee (as defined in the Note) shall be due in connection with any whole or partial payment or prepayment on the Indebtedness made pursuant to this Section 3.13.

3.14 Inspection of Premises.

Grantor hereby grants to State Farm, its agents, employees, consultants and contractors the right to enter upon the Premises for the purpose of making any and all inspections, reports, tests, inquiries and reviews as State Farm (in its sole and absolute discretion) deems necessary to assess the then current condition of the Premises, or for the purpose of performing any other acts which State Farm is authorized to perform under this Mortgage or under the Environmental Indemnity, subject to the rights of tenants under the Leases. Grantor will cooperate with State Farm to facilitate each such entry and the accomplishment of such purposes. Notwithstanding anything in this Section 3.14 to the contrary, except pursuant to an exercise of its rights under Section 10 of the Environmental Indemnification Agreement, State Farm shall not be permitted to perform any invasive tests on the Premises without Grantor's prior written consent.

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3.15 Certified Annual Operating Statements.

Within one hundred twenty (120) days after the close of each fiscal year of Grantor, Grantor shall furnish (i) annual operating statements showing all elements of income and expense of the Premises, and (ii) a current rent roll, showing all items set forth in the rent roll delivered to State Farm in connection with the closing of the Loan, as well as gross sales of each tenant, if any, paying percentage rental. Grantor shall promptly furnish to State Farm such other financial information concerning the condition of the Premises, and all other information concerning the Premises or the performance by Grantor of the Obligations, that State Farm may reasonably request. All such statements and information shall be prepared in accordance with generally accepted accounting principles and shall otherwise be satisfactory to State Farm and shall be certified by an authorized person, partner or officer of Grantor approved by State Farm. State Farm and its representatives shall have the right, at all reasonable times and upon reasonable notice, to examine and make copies of Grantor's plans, books, records, income tax returns and all supporting data concerning the Premises. Grantor will assist State Farm and its representatives in conducting any such examination.

3.16 Declaration of Subordination.

At the option of State Farm, 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 Award) to any and all Leases of all or any part of the Premises upon the execution by State Farm and recording thereof, at any time hereafter and in the appropriate official records of the county wherein the Real Estate is situated, of a unilateral declaration to that effect.

3.17 Usury.

State Farm intends that Grantor shall not be required to pay, and State Farm shall not be entitled to receive or collect, interest in excess of the maximum legal rate permitted under applicable usury laws. In the event State Farm or any court determines that any charge, fee or interest paid or agreed to be paid in connection with the Loan may, under applicable usury laws, cause the interest rate on the Loan to exceed the maximum rate permitted by law, then such charges, fees or interest shall be reduced to the maximum rate permitted by law and any amounts actually paid in excess of such maximum rate permitted by law shall, at State Farm's option, be applied by State Farm to reduce the outstanding principal balance of the Loan or repaid by State Farm directly to Grantor.

3.18 Lease Obligations.

(a) As further security for the payment of the Indebtedness, Grantor has, pursuant to this Mortgage and by separate Assignment of Rents and Leases of even date herewith, sold, transferred and assigned to State Farm, its successors and assigns, all of Grantor's right, title and interest, as landlord, in, to and under the Leases.

(b) The following definitions shall be applicable to all Leases of the Premises now or hereafter existing:

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(i) **“Major Leases”**: Leases that demise 8,000 square feet or more and have a lease term of at least 3 years, together with all extensions, renewals, amendments, modifications, replacements and substitutions therefor; provided, however, a replacement or substitution for a Major Lease shall in turn be deemed a “Major Lease” only if such replacement or substitution demises 8,000 or more rentable square feet or more and has a lease term of at least 3 years. As of the date hereof, the following Leases constitute Major Leases:

<u>Name of Tenant</u>	<u>Date of Lease</u>	<u>Total Square Footage</u>
Dominick's Finer Foods, LLC	October 27, 1995	65,946
Coldwell Banker	February 2012	8,444

(ii) **“Minor Leases”**: Leases that are not Major Leases; provided, however, if any Minor Lease, after modification, meets the definition of a Major Lease, such Minor Lease shall thereupon become a Major Lease.

(c) State Farm shall have the right to impose a **Servicing Fee** (as defined in Section 7.18) in connection with the review of any documentation submitted for State Farm's approval hereunder. Grantor shall also be responsible for the payment of all fees and expenses of State Farm's outside counsel in the event State Farm, in its sole discretion, shall determine that the assistance of outside counsel is necessary or appropriate.

(d) Grantor covenants and agrees to keep, observe and perform and to require all tenants of the Premises to keep, observe and perform in all material respects all the covenants, agreements and provisions of any present or future Leases of the Premises on their respective parts to be kept, observed and performed. If Grantor shall neglect or refuse to so perform or fail to require such tenants to so perform, State Farm may, at its option, itself perform and comply or require performance or compliance by such tenants with any such Lease covenants, agreements and provisions. Any sums expended by State Farm in performance of or compliance with such Leases or in enforcing performance of or compliance with such Leases by the tenants, including costs and expenses and attorneys' fees, shall be paid to State Farm by Grantor upon demand with interest thereon at the Default Rate from the date of such payments and, in the absence of such payment, all such sums shall be deemed to be and become part of the Indebtedness secured by this Mortgage.

(e) Grantor expressly covenants and agrees that if Grantor, as landlord under the Major Leases:

(i) fails to perform and fulfill any material term, covenant, condition or provision in any Major Lease on its part to be performed or fulfilled, at the times and in the manner provided in such Major Lease;

(ii) does or permits to be done anything to impair the value of any Major Lease as security for the Indebtedness, including, without limitation, voluntary surrender or termination;

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(iii) except in the exercise of its commercially reasonable prudent business judgment, fails to enforce all of the material terms, covenants and conditions required to be performed by a tenant under any Major Lease;

(iv) except in the exercise of its commercially reasonable prudent business judgment, fails to pursue its remedies under any Major Lease (short of voluntary surrender or termination) following a breach or default by the tenant thereunder; or

(v) without State Farm's prior written consent, permits or approves an assignment by any tenant under any Major Lease or a subletting of all or any part of the Premises demised in any Major Lease (other than in accordance with the terms of the applicable Major Lease previously approved by State Farm);

then, upon the occurrence of any such actions or inactions referenced in (i) through (v) above, at the option of State Farm, and with written notice to Grantor, an Event of Default shall be deemed to have occurred hereunder and at the option of State Farm, all unpaid Indebtedness secured by this Mortgage shall, notwithstanding anything in the Note, this Mortgage or the other Loan Documents to the contrary, become due and payable as in the case of other Events of Default.

3.19 Environmental Compliance.

Grantor hereby agrees to comply with the Environmental Indemnity.

3.20 Further Assurances.

(a) Grantor shall do all acts necessary to keep valid and effective the lien and security interest created by this Mortgage and the security intended to be afforded by the Loan Documents and to carry into effect their objectives.

(b) Grantor shall, upon the reasonable request of State Farm from time to time, and in the event all or any portion of the Premises is leased to a person or entity affiliated with an Exculpated Party (hereinafter defined in Section 7.11), Grantor will cause such person or entity to execute, acknowledge and deliver all such additional papers and instruments and perform all such further acts as may be reasonably necessary to perform the Obligations and, as State Farm deems reasonably necessary, to evidence, perfect or confirm the liens and security interests, or the priority thereof, created by this Mortgage and the other Loan Documents.

(c) Without limiting the generality of the foregoing, upon the reasonable written request of State Farm, Grantor will promptly and, insofar as not contrary to applicable law, at Grantor's expense, execute, record, rerecord, file and refile in such offices, at such times and as often as may be necessary, this Mortgage, additional mortgages, security agreements and every other instrument in addition to or supplemental hereto, including applicable financing statements, continuation statements, affidavits or certificates as may be necessary to create, perfect, maintain, continue, extend and/or preserve the liens, encumbrances and security interests intended to be granted and created in and by the Loan Documents and the rights and remedies of State Farm and

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Grantor thereunder. Upon request of State Farm, Grantor shall promptly supply evidence of fulfillment of the foregoing acts and further assurances.

3.21 Change of Name, Identity or Structure

Except as may be expressly permitted by State Farm in writing, Grantor shall not change its name, identity (including its trade name or names) or, if not an individual, its corporate, partnership, limited liability company or other structure without notifying State Farm at least thirty (30) days prior to the effective date of such change and, in the case of a change in Grantor's structure, without first obtaining the prior written consent of State Farm, which shall not be unreasonably withheld or delayed, except that consent of State Farm shall not be required in the case of a change in Grantor's structure for tax purposes as long as State Farm's security interest is not materially impaired, but notice shall be required in all such cases.

ARTICLE FOUR EVENTS OF DEFAULT

4.1 Defaults.

It shall constitute an event of default ("**Event of Default**") of and under this Mortgage and, at the option of State Farm under the other Loan Documents, if any of the following events shall occur:

(a) Grantor shall fail to (i) make any regularly scheduled payment of principal or interest on the Note when due and such failure continues for ten (10) days, (ii) make any other payment on the Obligation (other than payment of the Note upon maturity) when due and such failure continues for ten (10) days following written notice of such failure from State Farm, or (iii) pay the Note upon maturity;

(b) Grantor shall fail to timely observe, perform or discharge any of the non-monetary Obligations, other than a non-monetary obligation described in any other clause in this Article Four, and any such failure shall remain unremedied for thirty (30) days (the "**Grace Period**") after notice to Grantor of the occurrence of such failure; provided, however, that State Farm shall extend any applicable Grace Period up to ninety (90) days if State Farm determines in good faith that: (i) such default cannot reasonably be cured within such Grace Period but can be cured within ninety (90) days; (ii) no lien or security interest created by the Loan Documents shall be impaired prior to the anticipated completion of such cure; and (iii) State Farm's immediate exercise of any remedies provided in this Mortgage or by law is not necessary for the protection or preservation of the Premises or State Farm's security interest therein or lien thereon, and Grantor shall immediately commence and diligently pursue the cure of such default;

(c) Grantor, as landlord or sublandlord, as the case may be, shall assign or otherwise encumber the Rents or any interest therein without first obtaining the written consent of State Farm;

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(d) Grantor shall, after the expiration of all applicable grace or cure periods, default or be in default under any agreement to which Grantor is a party, other than the Loan Documents, which agreement relates to the borrowing of money by Grantor from any natural person, corporation, limited liability company, partnership, firm, association, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity (each a "**Person**"), and such default shall give rise to or result in any material and adverse change in the financial condition of Grantor, affecting the condition, use or operation of the Premises or State Farm's security for the Loan ("**Material Adverse Change**"), including a default by Grantor under any loan documents evidencing or relating to a lien on the Premises which is junior and subordinate to this Mortgage;

(e) Should any representation or warranty made by Grantor in, under or pursuant to any of the Loan Documents be false or misleading in any material respect as of the date on which such representation or warranty was made or deemed remade;

(f) Should any of the Loan Documents cease to be in full force and effect or be declared null and void, or cease to constitute valid and subsisting liens and/or valid and perfected security interests in, to, or upon the Premises, or should Grantor contest or deny in writing any of its liabilities or Obligations under any of the Loan Documents;

(g) Should any violation of **Section 3.11 (a)** occur;

(h) Should Grantor fail at any time to satisfy the requirements of **Section 3.7** and such failure shall continue for fifteen (15) days after written notice thereof;

(i) Should Grantor not pay its debts as they become due or admit in writing its inability to pay its debts, or make a general assignment for the benefit of creditors and such events cause or result in a Material Adverse Change;

(j) Should Grantor commence any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it and its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking to have an order for relief entered against it as debtor, or seeking appointment of a Receiver for it or for all or any substantial part of its property (collectively, a "**Proceeding**") and such events cause or result in a Material Adverse Change;

(k) Should any Exculpated Party take an action to authorize any of the actions set forth above in **paragraphs (i) or (j) of this Section 4.1**;

(l) Should any Proceeding be commenced against Grantor and such Proceeding results in the entry of an order for relief against it which is not fully stayed within sixty (60) days after the entry thereof or remains undismissed for a period of one hundred twenty (120) days; or

(m) Should (i) final judgment, other than a final judgment in connection with any condemnation, and including any judgment or other final determination of any contest permitted by **Section 3.5** of this Mortgage, be entered against Grantor that (a) is not covered by insurance and

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either (a) materially adversely affects the value, use, or operation of the Premises, or (b) materially adversely affects, or reasonably may be expected to materially adversely affect, the validity, enforceability, or priority of the lien or security interests created in and by this Mortgage, or the other Loan Documents, or both, or (ii) execution or other final process issue thereon with respect to the Premises, and Grantor shall fail to discharge the same, or provide for its discharge in accordance with its terms, or procure a stay of execution thereon, in any event within thirty (30) days from entry, or shall not within such period, or such longer period during which execution on such judgment shall have been stayed, appeal therefrom or from the order, decree, or process upon or pursuant to which such judgment shall have been entered and cause its execution to be stayed during such appeal, or if on appeal such order, decree, or process shall be affirmed and Grantor shall not discharge such judgment or provide for its discharge in accordance with its terms within thirty (30) days after the entry of such order or decree of affirmation, or if any stay of execution on appeal is released or otherwise discharged.

ARTICLE FIVE REMEDIES

5.1 Remedies.

(a) Upon the occurrence and during the continuation of an Event of Default, State Farm, at its option, may at any time thereafter declare the entire Indebtedness to be immediately due and payable and the same shall thereupon become immediately due and payable, without any further presentment, demand, protest or notice of any kind being required and State Farm, at its option and in its sole discretion, shall also be entitled to do any of the following:

(i)(A) in person, by agent or by a receiver, without regard to the adequacy of security, the solvency of Grantor or the condition of the Premises, without obligation to do so and without notice to or demand upon Grantor, enter upon and take possession of the Premises or any part thereof in its own name or in the name of a trustee and do any acts which State Farm deems necessary to preserve the value or marketability of the Premises; (B) sue for or otherwise collect the Rents and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, against the Indebtedness, all in such order as State Farm may determine; (C) appear in and defend any action or proceeding purporting to affect, in any manner whatsoever, the Indebtedness, the security hereof or the rights or powers of State Farm; (D) pay, purchase or compromise any encumbrance, charge or lien that in the judgment of State Farm is prior or superior hereto; and (E) in exercising any such powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees;

(ii) as a matter of strict right and without notice to Grantor or anyone claiming under Grantor, and without regard to: (A) the solvency of Grantor; (B) whether there has been or may be any impairment of or diminution in the value of the Premises; or (C) whether the amount of the Indebtedness exceeds the then value of the Premises, apply *ex parte* to any court having jurisdiction to appoint a receiver to enter upon and take possession of the Premises and Grantor hereby waives notice of any application therefor, provided, if required by law, a hearing to confirm such appointment with notice to Grantor is set within the time required by law (any such receiver shall have all the powers and duties of receivers in similar cases and all the powers and duties of

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State Farm in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale, unless such receivership is sooner terminated);

(iii) commence an action to foreclose this Mortgage in the manner provided in this Mortgage or by law; and

(iv) with respect to any Collateral, proceed as to both the real and personal property in accordance with State Farm's rights and remedies in respect of the Real Estate and Improvements, or proceed to sell said Collateral separately and without regard to the Real Estate and Improvements in accordance with State Farm's rights and remedies with respect to the Collateral.

(b) In (i) any action to foreclose the lien of this Mortgage or enforce any other remedy of State Farm under any of the Loan Documents; or (ii) any other proceeding whatsoever in connection with any of the Loan Documents or the Premises in which State Farm is named as a party, there shall be allowed and included, as additional indebtedness in the judgment or decree for sale resulting therefrom, all reasonable third party expenses paid or incurred in connection with such proceeding by or on behalf of State Farm including, without limitation, reasonable third party attorneys' and paralegals' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, land and environmental survey costs, and costs (which may be estimated as to items to be expended after entry of such judgment or decree) of procuring all abstracts of title, title certificates, title searches and examinations, title insurance policies, Torrens certificates and any similar data and assurances with respect to the title to the Premises as State Farm may deem reasonably necessary either to prosecute or defend in such proceeding or to evidence to bidders at any sale pursuant to such decree the true condition of the title to or value of the Premises. All reasonable third party expenses and fees of the foregoing nature and such reasonable third party expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage thereon in any litigation affecting the Loan Documents or the Premises, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding in connection therewith, shall upon demand of State Farm be immediately due and payable by Grantor with interest thereon at the Default Rate and shall become a part of the Indebtedness secured by this Mortgage.

(c) Unless otherwise provided herein, if Grantor shall at any time fail to perform or comply with any of the terms, covenants and conditions required on Grantor's part to be performed and complied with under any of the Loan Documents or any other agreement that, under the terms of this Mortgage, Grantor is required to perform beyond any applicable cure period granted herein, State Farm may, at its option and in its sole discretion, without waving or releasing any other right, remedy or recourse:

(i) make any payments hereunder or thereunder payable by Grantor; and/or

(ii) subject to Grantor's right to contest certain Obligations specifically granted in this Mortgage, perform any such other acts thereunder on part of Grantor to be performed and enter upon the Premises for such purpose.

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(d) In any foreclosure sale of the Premises, the Premises, including the Real Estate and Improvements, may be sold in one parcel (i.e. as a single entity) or in two or more parcels and, otherwise, in such manner or order as State Farm, in its sole discretion, may elect or as the court having jurisdiction over such foreclosure sale may otherwise order or direct.

(e) The proceeds of any foreclosure sale of the Premises shall be distributed and applied in accordance with the applicable law of the State of Illinois or as otherwise directed by order of the court in which this Mortgage is foreclosed.

(f) All remedies of State Farm provided for herein are cumulative and shall be in addition to any and all other rights and remedies provided in the other Loan Documents or by law, including any right of offset. The exercise of any right or remedy by State Farm hereunder shall not in any way constitute a cure or waiver of any default or Event of Default hereunder or under the Loan Documents, invalidate any act done pursuant to any notice of default or prejudice State Farm in the exercise of any of its rights hereunder or under the Loan Documents.

(g) To the extent permitted by law, Grantor hereby waives its right of redemption in the event of foreclosure.

ARTICLE SIX SECURITY AGREEMENT AND FIXTURE FILING

6.1 Security Agreement.

Grantor hereby assigns and grants to State Farm a first priority present security interest in and to the Rents, Contract Rights, Intangible Personal Property, Tangible Personal Property, Proceeds, Right to Encumber and Other Rights and Interests described in Article Two and in and to any other part or component of the Premises which may not be deemed real property or which may not constitute a "**fixture**" (within the meaning of the Code (as hereinafter defined)), and all replacements, substitutions and additions of, for and to the same and the proceeds thereof (collectively, the "**Collateral**" or "**Personalty**") in order to secure payment of the Indebtedness and performance by Grantor of the other Obligations. This Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code as adopted by the State of Illinois (the "**Code**").

6.2 Notification of Account Debtors.

State Farm may at any time during the continuation of an Event of Default by Grantor notify the account debtors or obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness included in the Personalty to pay State Farm directly.

6.3 Reproduction as Financing Statement.

A carbon, photographic or other reproduction of this Mortgage or of any financing statement relating to this Mortgage shall be sufficient as a financing statement.

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6.4 Fixture Filing.

This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Premises and is to be filed for record in the real property records in the Office of the County Clerk for the county or counties where the Premises (including said fixtures) is situated. This Mortgage shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to **Subsection 9.103(e)** of the Code as in effect from time to time in the State of Illinois and is to be filed for record in the real property records of the county where the Premises is situated. The mailing address of Grantor is set forth on the first page of this Mortgage and the address of State Farm from which information concerning the security interest may be obtained is the address of State Farm set forth on the front page of this Mortgage.

6.5 Waivers.

Grantor waives any right to require State Farm to (i) proceed against any Person, (ii) proceed against or exhaust any Collateral or (iii) pursue any other remedy in its power. Grantor further waives any defense arising by reason of any power and any defense arising by reason of any disability or other defense of Grantor or any other Person, or by reason of the cessation from any cause whatsoever of the liability of Grantor or any other Person. Until the Indebtedness shall have been paid in full, Grantor shall not have any right to subrogation, and Grantor waives any right to enforce any remedy which Grantor now has or may hereafter have against State Farm or against any other Person and waives any benefit of and any right to participate in any Collateral or security whatsoever now or hereafter held by State Farm for or with respect to the Indebtedness and/or the Obligations.

6.6 Authorization.

Grantor hereby authorizes State Farm at any time and from time to time during the life of the Loan to file in any filing office in any Code jurisdiction any financing statements, amendments or addendums thereto and continuation statements (the "**UCC Documents**") in order to perfect or continue the perfection of any security interest granted under this Mortgage or any of the other Loan Documents. Grantor agrees to provide any information needed to complete such UCC Documents to State Farm promptly upon request.

Grantor shall pay to State Farm, within five (5) business days following written demand, any and all reasonable third party costs and expenses incurred by State Farm in connection with the preparation, processing and filing of any such UCC Documents, including reasonable third party attorneys' fees and all disbursements. Such reasonable third party costs and expenses shall bear interest at the Default Rate from the date which is five (5) business days following Grantor's receipt of State Farm's written demand until the date repaid by Grantor and such reasonable third party costs and expenses, together with such interest, shall be part of the Indebtedness and shall be secured by this Mortgage.

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6.7 Preservation of Grantor's Existence.

Grantor shall do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges under the laws of the state of its formation and, if applicable, the State of Illinois.

6.8 Notice of Change.

Without giving at least thirty (30) days' prior written notice to State Farm, Grantor shall not: (i) change its jurisdiction of organization; or (ii) except as permitted in Section 3.11, add to or change any location at which any of the Collateral (as defined in Section 6.1) is stored, held or located.

ARTICLE SEVEN MISCELLANEOUS

7.1 Notices, Consents and Approvals.

Any notice, consent, or approval that State Farm or Grantor may desire or be required to give to the other shall be in writing and shall be mailed or delivered to the intended recipient thereof at its address set forth below or at such other address as such intended recipient may, from time to time, by notice in writing, designate to the sender pursuant hereto. Any such notice, consent, or approval shall be deemed effective (a) if given by nationally recognized overnight courier for next day delivery, one (1) business day after delivery to such courier, or (b) if given by United States mail (registered or certified), three (3) business days after such communication is deposited in the mails or (c) if given in person, when written acknowledgment or receipt thereof is given. Except as otherwise specifically required herein, notice of the exercise of any right or option granted to State Farm by this Mortgage is not required to be given.

(a) If to State Farm:

State Farm Bank, F.S.B.
One State Farm Plaza
Bloomington, Illinois 61710
Attn: Corporate Law-Investments E-3
(SFB Loan No. 0124)

With a courtesy copy to:

David W. Greenman
Enterprise Counsel Group
18800 Von Karman, Suite 100
Irvine, CA 92612

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(b) If to Grantor:

140-200 S. ROSELLE ROAD, LLC
c/o RREEF
875 N. Michigan Avenue
41st Floor
Chicago, IL 60611
Attention: Mr. Mike Reicher

With a courtesy copy to:

Lee M. Smolen
Sidley Austin LLP
One South Dearborn Street
Chicago, IL 60603

7.2 Time of Essence.

It is specifically agreed that time is of the essence for all of the terms and provisions contained in this Mortgage.

7.3 Covenants of Mortgage Run with Title to the Real Estate.

The covenants and obligations set forth in this Mortgage are intended as, shall be deemed and are hereby declared to be covenants running with the title to the land which constitutes the Real Estate and any and all portions(s) thereof, and such covenants and obligations shall be binding upon and enforceable by the owner and holder of this Mortgage personally against, Grantor and any successor in title to Grantor who or which shall acquire and/or hold title to the Real Estate while the same is subject to and encumbered by this Mortgage. Every person or entity who or which shall have, claim, own, hold, accept or otherwise acquire title to the Real Estate, whether or not such title is reflected in the Public Records of the State and County in which the Real Estate is located, shall, to the extent permitted by applicable law, be conclusively presumed and deemed to have consented and agreed to personally perform each and every covenant and obligation of Grantor contained in this Mortgage, to the same extent as the original Grantor, whether or not any reference to this Mortgage is contained in the document or instrument pursuant to which such person or entity shall have acquired title to the Real Estate and whether or not such person or entity shall have expressly agreed in writing to assume or perform the covenants and obligations of Grantor contained in this Mortgage.

7.4 GOVERNING LAW.

THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS. TO THE EXTENT THAT THIS MORTGAGE MAY OPERATE AS A SECURITY AGREEMENT UNDER THE CODE, STATE FARM SHALL HAVE ALL RIGHTS AND REMEDIES CONFERRED THEREIN FOR THE BENEFIT OF A SECURED PARTY.

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7.5 Severability.

If any provision of this Mortgage, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstance, is held invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included herein.

7.6 Headings.

The headings of articles, sections, paragraphs and subparagraphs in this Mortgage are for convenience of reference only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions hereof.

7.7 Grammar.

As used in this Mortgage, the singular shall include the plural and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires.

7.8 Deed in Trust.

If title to the Premises or any part thereof is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein against the creation of any lien on the Premises shall be construed as a similar prohibition or restriction against the creation of any lien on or security interest in the beneficial interest of such trust.

7.9 Successors and Assigns.

This Mortgage and all provisions hereof shall be binding upon and enforceable against Grantor, its successors, assigns, legal representatives and all other persons or entities claiming under or through Grantor, and the word "**Grantor**" when used herein, shall include all such persons and entities and any others liable for the payment of the Indebtedness or any part thereof, whether or not they have executed the Note or this Mortgage. The word "**State Farm**" when used herein, shall include State Farm's successors, assigns and legal representatives, including all other holders, from time to time, of the Note.

7.10 Construction.

Grantor acknowledges that Grantor and Grantor's counsel have reviewed this Mortgage and the other Loan Documents and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the construction or interpretation of this Mortgage or the other Loan Documents or any amendments or schedules to any of the foregoing.

7.11 Limitation of Liability.

In consideration of the security provided by Grantor to State Farm for repayment of the Indebtedness, including, without limitation, the liens on and security interests in the Premises granted pursuant to the Mortgage and the absolute assignment of the Rents and Leases made pursuant to the

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Assignments of Rents and Leases, upon the occurrence of an Event of Default hereunder or under any of the other Loan Documents, State Farm agrees that it shall not, except as otherwise set forth in this Section, seek to enforce, nor shall State Farm be entitled to enforce, any deficiency or monetary judgment against Grantor, any partner, member or shareholder of Grantor, the direct or indirect owners, officers, employees, agents, trustees or advisors of such persons or entities or any beneficiary of Grantor (individually (including Grantor), an "**Exculpated Party**" and collectively, the "**Exculpated Parties**"), personally, and shall not levy or execute judgment upon any property of the Exculpated Parties, other than the Premises; it being expressly agreed, acknowledged and understood, however, that: (i) the foregoing limitation of the liability of Grantor shall not apply to the extent that Grantor is liable for any "Losses" (as defined below) pursuant to **Section 7.11(d)** below; and (ii) nothing contained herein shall in any manner or way release, affect or impair:

(a) The existence of the Indebtedness and Obligations created in and evidenced by the Loan Documents;

(b) The enforceability of the liens, security interests and assignments created in and granted by the Loan Documents against the Premises;

(c) The enforceability of the Environmental Indemnity and any guaranty of the Indebtedness and Obligations of Grantor given to State Farm; or

(d) The right of State Farm to recover from Grantor for all Losses incurred by State Farm (whether directly or indirectly) arising from or related to the following:

(i) The failure to apply any Rents received by any of the Exculpated Parties either within thirty (30) days prior to an Event of Default or any time after an Event of Default until cured (all such Rents received during such periods being herein called "**Recoverable Rents**") to (A) the payment of budgeted capital expenditures or required for health or safety or compliance with laws, or the return of security deposits, (B) the payment of any amount due under the Loan Documents, including, without limitation, the Indebtedness, (C) the payment of all operating expenses of the Premises, or (D) the performance of any Obligations required under the Loan Documents; provided, however, Grantor shall not be liable to State Farm under this subparagraph (i) for any Recoverable Rents in excess of the Recoverable Rents applied to the payment of the amounts and the performance of the Obligations set forth in (A), (B), (C) and (D) above;

(ii) The misapplication or misappropriation of any tenant security deposits, advance or prepaid rents, cancellation or termination fees or other similar sums paid to or held by Grantor, any affiliate of Grantor or any other person or entity (other than State Farm) in connection with the operation of the Premises in violation of the Loan Documents or any leases affecting the Premises;

(iii) Except to the extent of insurance proceeds received, any amount(s) necessary to repair or replace any damage to or destruction of the Premises which is caused by the willful or wanton act or omission on the part of any of the Exculpated Parties including, without limitation, waste, any act of arson or malicious destruction by any of the Exculpated Parties;

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(iv) The failure to maintain insurance as required by the Loan Documents or any leases affecting the Premises or, except for amounts paid to State Farm in escrow to pay such amounts, the failure to timely pay insurance premiums, real estate taxes, regular or special assessments or utility charges affecting the Premises;

(v) All outstanding amounts due under the Indebtedness and Obligations including principal, interest and other charges, due to a transfer of any interest in the Premises in violation of Section 3.11 of this Mortgage;

(vi) Any insurance proceeds or condemnation awards received by any of the Exculpated Parties and not delivered over to State Farm or used for Restoration of the Premises in accordance with the terms of the Loan Documents;

(vii) Any fraud or willful misrepresentation of a material fact by any of the Exculpated Parties in any document executed or presented to State Farm in connection with the Loan; or

(viii) Any use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Premises of any materials, substances or wastes defined or classified as hazardous or toxic under applicable Federal, State or local laws or regulations or arising out of or from any failure on the part of any of the Exculpated Parties to comply with the provisions of the Environmental Indemnity and subject to any limitations contained therein.

As used herein, the term "Losses" means any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, costs, fines, penalties, charges, fees, expenses (including, without limitation, reasonable third party legal fees and expenses), judgments, awards and amounts paid in settlement of whatever kind or nature.

7.12 Waiver of Marshalling and Certain Rights.

To the extent that Grantor may lawfully do so, Grantor hereby expressly waives any right pertaining to the marshalling of assets or marshalling of liens, the equity of redemption, any statutory or common law right or redemption, homestead, dower, curtesy, marital share and all other exemptions, or other matter which might defeat, reduce or affect the right of State Farm to sell the Premises or the Collateral for the collection of the Obligations, or the right of State Farm to the payment of the Obligations out of the proceeds of the Rents and Leases, in preference to every other person and claimant. Any Grantor herein who has any right or possibility of dower, curtesy or homestead in or to the Premises described herein, or any part of it, for the consideration herein set forth, does, to the extent permitted by applicable law, hereby release and relinquish all of his or her right or possibility of dower, curtesy and homestead in and to said Premises and all parts thereof, and all other marital rights.

7.13 Waiver of Impairment of Recourse Defenses.

Without affecting the liability of Grantor or any other person (except any person expressly released in writing) for the payment or performance of any of the Obligations, and without affecting

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the rights of State Farm with respect to any security not expressly released in writing, State Farm may, at any time, and from time to time, either before or after the maturity of the Note, and without notice or consent:

(a) Release any person liable for payment or performance of all or any part of the Obligations;

(b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the Obligations (without limit as to the number of such extensions or the period of periods thereof), or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof;

(c) Exercise or refrain from exercising any right State Farm might have;

(d) Accept additional security of any kind;

(e) Release or otherwise deal with any property, real or personal, securing the Obligations, including all or any part of the Premises herein described; or

(f) To the extent permitted by applicable law, elect, by instrument duly recorded in the Office of the Recorder of the County where the Premises is located, to have and make the lien hereof prior, paramount and superior to, or, alternatively, junior, subordinate and inferior to, any lease of all or any part of the Premises and whether or not such lease is dated, executed or recorded before or after this Mortgage.

Furthermore, the failure of State Farm to perfect any lien granted herein or in any other Loan Document, to take any action to obtain payment or performance of the Obligations or to exercise any rights or remedies available hereunder shall not, to the extent permitted by applicable law, relieve Grantor or any other person from liability for the payment or performance of the Obligations nor effect a discharge of the lien, security interest or assignment herein granted; it being intended that, to the extent permitted by applicable law, all "impairment of recourse" and "impairment of collateral" defenses are hereby waived.

7.14 No Waiver.

No waiver by State Farm shall be construed as a waiver of a subsequent similar default or any other default by Grantor. No delay by State Farm in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder. No failure of State Farm to exercise any option herein given to declare the maturity of the Obligations hereby secured, nor forbearance by State Farm after the exercise of such option, and no withdrawal or abandonment of foreclosure proceedings by State Farm after the exercise of such option, shall be taken or construed as a waiver of its right to exercise such option or to declare such maturity by reason of any past, present, or future default on the part of Grantor. Acceptance by State Farm of partial payments shall not constitute a waiver of the default by failure to make full payments.

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7.15 Subrogation.

To the extent that proceeds of the Obligations are used to pay any outstanding lien, charge or encumbrance affecting the Premises (including, without limiting the generality of the foregoing, any prior lien) State Farm shall be subrogated to all rights, interests and liens owned or held by any owner or holder of such outstanding liens, charges and encumbrances, irrespective of whether such liens, charges or encumbrances are released of record; provided, however, that the terms and provisions hereof shall govern the rights and remedies of State Farm and, to the extent permitted by law without impairing any of State Farm's rights of subrogation, shall supersede the terms, provisions, rights and remedies under the lien or liens to which State Farm is subrogated hereunder.

7.16 Greater Estate.

In the event that Grantor is the owner of a leasehold estate or any other estate less than a fee simple with respect to any portion of the Premises and/or Personal Property and, prior to the satisfaction of the Obligation and the cancellation of this Mortgage of record, Grantor obtains a greater estate or interest in such portion of the Premises and/or Collateral, then, such greater estate or interest shall automatically and without further action of any kind on the part of Grantor be and become subject to the lien of this Mortgage.

7.17 Release.

If all of the Indebtedness is paid as the same becomes due and payable and if all of the covenants, warranties, undertakings and agreements made in this Mortgage are kept and performed, then and in that event only, all rights under this Mortgage shall terminate and the Premises shall become wholly clear of the liens, security interests, conveyances and assignments evidenced hereby, which shall be released by State Farm in due form at Grantor's cost.

7.18 Expenses.

Grantor acknowledges and agrees that State Farm shall impose certain administrative processing fees (the "Servicing Fees") in connection with (i) the extension, renewal, modification, amendment and termination of the Loan Documents; (ii) the release or substitution of collateral therefor; (iii) the consideration of any consents, waivers and approvals with respect to the Premises or Grantor; or (iv) any other services provided by State Farm or any of its agents to or on behalf of Grantor in connection with the Premises, the Loan Documents or the Indebtedness secured thereby (the occurrence of any of the foregoing shall hereinafter be referred to as a "Servicing Action"). Grantor hereby acknowledges and agrees to pay, within 5 days following written demand, all such Servicing Fees (as the same may be increased or decreased from time to time), and any additional fees of a similar type or nature that may be imposed by State Farm from time to time, in connection with a Servicing Action, provided that any such servicing fees shall not exceed the amount specified for such Servicing Action on the schedule of fees then promulgated by State Farm. Grantor shall also be responsible for the payment of all reasonable fees and expenses of State Farm's outside attorneys in the event that State Farm, in its sole discretion, shall determine that the assistance of an outside attorney is necessary to accomplish the Servicing Action.

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7.19 Management Agreement.

The Premises shall be managed by either: (i) Grantor, Mid-America Asset Management, Inc., an Illinois corporation ("Mid-America"), RREEF Management Company or an entity affiliated with Grantor (or any of the foregoing) and approved by State Farm for so long as Grantor, Mid-America, RREEF Management Company or the affiliated entity is managing the Premises in the same manner as of the date hereof in a first-class manner; or (ii) a professional property management company approved by State Farm, which approval shall not be unreasonably withheld. State Farm's failure to respond to Grantor's request for approval within ten (10) days after receipt of the request shall be deemed an approval. The management of the Premises by a Grantor-affiliated entity or a professional property management company (in either case, the "Manager") shall be pursuant to a written agreement reasonably approved by State Farm (the "Management Agreement"). The Manager may be removed or replaced and the terms of any Management Agreement modified or amended without the prior written consent of State Farm so long as such amendments are on market terms and any such new property manager is not an affiliate of Grantor. Following an Event of Default, in the event State Farm appoints a receiver for the Premises, forecloses this Mortgage or takes a deed in lieu of foreclosure, State Farm shall have the right to terminate the Management Agreement or to direct Grantor to retain a new management company approved by State Farm.

7.20 Modifications and Extensions.

Grantor and State Farm may agree to extend the time for payment of all or any part of the Obligations or reduce, rearrange or otherwise modify the terms of payment thereof, or accept a renewal note or notes therefor, or otherwise deal with the Premises or the Loan Documents, all without notice to or the consent of any junior lienholder or any other person having an interest in the Premises and/or Collateral subordinate to the lien of this Mortgage, and without the consent of Grantor if Grantor has then parted with title to the Premises and/or Collateral. No such extension, reduction, modification or renewal or dealing shall affect the priority of this Mortgage, or release any liability of Grantor or any other person or entity, or impair the security hereof in any manner whatsoever.

7.21 WAIVER OF TRIAL BY JURY.

GRANTOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM FILED BY ANY PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THIS MORTGAGE OR ANY ACTS OR OMISSIONS OF GRANTOR IN CONNECTION THEREWITH OR CONTEMPLATED THEREBY.

7.22 FINAL AGREEMENT.

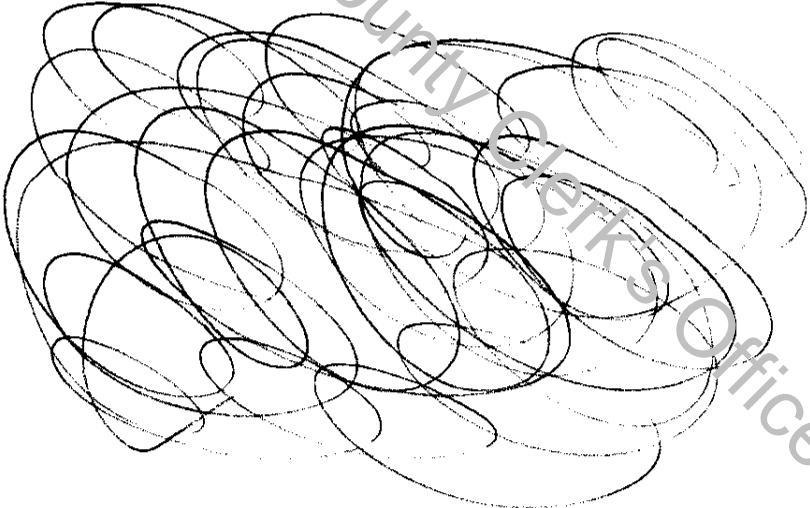
THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

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THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Property of Cook County Clerk's Office

[SIGNATURE ON NEXT PAGE]



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IN WITNESS WHEREOF, Grantor has caused this Mortgage to be executed as of the date herein above first written.

GRANTOR:

140-200 S. ROSELLE ROAD, LLC,
a Delaware limited liability company

By: RREEF AMERICA L.L.C., a Delaware
limited liability company, its Manager

By: Angela C. Blaising
Name: Angela C. Blaising
Its: Vice President

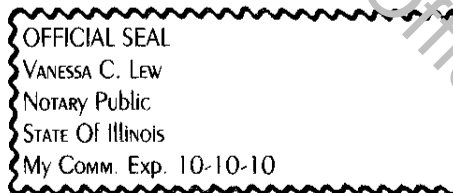
STATE OF ILLINOIS §
 §
COUNTY OF Cook §

BEFORE ME, the undersigned authority, on this day personally appeared Angela C. Blaising, Vice President of RREEF AMERICA L.L.C., a Delaware limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said limited liability company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 30th day of August, 2007.

Vanessa C. Lew
Notary Public in and for the State of Illinois

My Commission Expires:
10-10-10



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EXHIBIT A

Legal Description of Real Estate

Real property in the City of Schaumburg, County of Cook, State of Illinois, described as follows:

PARCEL 1:

LOT 1 IN TOWN SQUARE RESUBDIVISION, BEING A RESUBDIVISION OF LOT 2 OF TOWN SQUARE SHOPPING CENTER SUBDIVISION AND LOTS 1 AND 2 OF WILK'S SUBDIVISION, AND PART OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 22 TOWNSHIP 41 NORTH RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING AND BEING IN THE VILLAGE OF SCHAUMBURG, COOK COUNTY ILLINOIS.

PARCEL 2:

EASEMENTS FOR THE BENEFIT OF PARCEL 1 CONTAINED IN THE DECLARATION OF EASEMENTS AND PROTECTIVE COVENANTS FOR TOWN SQUARE SHOPPING CENTER

RECORDED APRIL 25, 1996 AS DOCUMENT 96328988 AND AMENDED BY FIRST AMENDMENT RECORDED AS DOCUMENT 97377291 AND RE-RECORDED AS DOCUMENT 00553312 BY SECOND AMENDMENT RECORDED AS DOCUMENT 98030985 AND BY THIRD AMENDMENT RECORDED SEPTEMBER 21, 2005 AS DOCUMENT 0526450057

PARCEL 3:

NON-EXCLUSIVE EASEMENTS FOR THE BENEFIT OF PARCEL 1 CONTAINED IN THE DECLARATION OF COVENANTS, EASEMENTS, CONDITIONS AND RESTRICTIONS RECORDED FEBRUARY 17, 1998 AS DOCUMENT 98125948.

140-200 South Roselle Road
Schaumburg, IL 60193

Pin 07-22-301-0410

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EXHIBIT B

Other Loan Documents

1. Assignment of Rents and Leases executed by Grantor to and in favor of State Farm of even date with this Mortgage.
2. Borrower's Certificate executed by Grantor to and in favor of State Farm of even date with this Mortgage.
3. Assignment of Management Agreement.
4. Assignment of Oversight Management Agreement.