

Illinois Anti-Predatory
Lending Database
Program

Certificate of Exemption



Doc#: 1107734072 Fee: \$110.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 03/18/2011 01:41 PM Pg: 1 of 38

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 17-04-221-003-0000

Address:

Street: 1233-51 N Wells Stree

Street line 2:

City: Chicago

State: IL

ZIP Code: 60610

Lender: Northwestern Mututal Life Insurance Company

Borrower: Wells Street Flats LLC

Loan / Mortgage Amount: \$59,000,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

Certificate number: 7EEE4FBF-08A0-400F-A16A-C72B87D10724

Execution date: 03/16/2011

Property of Cook County Clerk's Office

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First American Title Order # NCS 471442 PP 2 of 6

Illinois

Loan No. 338722

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

The Northwestern Mutual Life Ins. Co.
720 East Wisconsin Avenue - Rm N16WC
Milwaukee, WI 53202
Attn: Nadine T. Hansohn

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This instrument was prepared by Frederick W. Bessette, Attorney, for The Northwestern Mutual Life Insurance Company, 720 East Wisconsin Avenue, Milwaukee, WI 53202.

MORTGAGE AND SECURITY AGREEMENT
CONSTRUCTION AND PERMANENT LOAN

THIS MORTGAGE AND SECURITY AGREEMENT is made as of the 11th day of March, 2011 between WELLS STREET FLATS LLC, a Delaware limited liability company, whose mailing address is c/o Hines Interests Limited Partnership, 1 South Dearborn Street, Suite 2000, Chicago, Illinois 60603, herein called "Mortgagor", and THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a Wisconsin corporation, whose mailing address is 720 E. Wisconsin Avenue, Milwaukee, WI 53202, herein called "Mortgagee":

WITNESSETH, That Mortgagor, in consideration of the indebtedness herein mentioned, does hereby grant, convey and mortgage unto Mortgagee forever, with power of sale (if and to the extent permitted by applicable law) and right of entry and possession, all estate, right, title and interest which Mortgagor now has or may hereafter acquire in, to, or under or demand from any of the following property (herein referred to as the "Property"):



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- A. The land in the City of Chicago, Cook County, Illinois , described in Exhibit "A" attached hereto and incorporated herein (the "Land");
- B. All easements, appurtenances, tenements and hereditaments belonging to or benefiting the Land, including, but not limited to, all waters, water rights, water courses, all ways, trees, rights, liberties and privileges;
- C. All improvements to the Land, including, but not limited to, all buildings, structures and improvements now existing or hereafter erected on the Land; all fixtures and equipment of every description belonging to Mortgagor which are or may be placed or used upon the Land or attached to the buildings, structures or improvements, including, but not limited to, all engines, boilers, elevators and machinery, all heating apparatus, electrical equipment, air-conditioning and ventilating equipment, water and gas fixtures, and all furniture and easily removable equipment; all of which, to the extent permitted by applicable law, shall be deemed an accession to the freehold and a part of the realty as between the parties hereto;
- D. Mortgagor's interest in all articles of personal property of every kind and nature whatsoever, including, but not limited to all carpeting, draperies, ranges, microwave ovens, refrigerators, dishwashers, dehumidification equipment, etc. now or hereafter located upon the Land or in or on the buildings and improvements and now owned or leased (to the extent any such lease is assignable) or hereafter acquired or leased (to the extent any such lease is assignable) by Mortgagor; for the avoidance of doubt, the foregoing security interest shall not apply to personal property of the property manager or any tenant of the Property; and
- E. All building and construction materials, fixtures, equipment and tangible personal property of every kind and nature whatsoever, delivered to and stored on the Property and intended to be incorporated into the buildings and improvements thereon.

Mortgagor agrees not to sell, transfer, assign or remove anything described in B, C, D and E above now or hereafter located on the Land without prior written consent from Mortgagee

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unless (i) such action does not constitute a sale or removal of any buildings or structures or the sale or transfer of waters or water rights, (ii) such action results in the substitution or replacement with similar items of equal value or such disposition is of personal property which has become obsolete and/or is no longer useful in the operation or maintenance of the Property, or (iii) such action is permitted in the section hereof entitled "**Prohibition on Transfer**"; provided, however, Mortgagee acknowledges and agrees that Mortgagor will demolish the existing improvements located on the Land in connection with the development of improvements being financed from the principal of the Note.

Without limiting the foregoing grants, Mortgagor hereby pledges to Mortgagee, and grants to Mortgagee a security interest in, all of Mortgagor's present and hereafter acquired right, title and interest in and to the Property and any and all

- F. Cash and other funds now or at any time hereafter deposited by or for Mortgagor on account of tax, special assessment, replacement or other reserves required to be maintained pursuant to the Loan Documents (as hereinafter defined) with Mortgagee or a third party, or otherwise deposited with, or in the possession of, Mortgagee pursuant to the Loan Documents; and
- G. To the extent assignable, surveys, soils reports, environmental reports, guaranties, warranties, architect's contracts, construction contracts, drawings and specifications, applications, permits, surety bonds and other contracts relating to the acquisition, design, development, construction and operation of the Property; and
- H. Accounts, chattel paper, deposit accounts, instruments, equipment, inventory, documents, general intangibles, letter-of-credit rights, investment property and all other personal property of Mortgagor, (including, without limitation, any and all rights in the property name "Wells Street Flats Apartments") and, including, without limitation, all fees, charges, accounts or other payments for parking in or on the property, including all products and proceeds thereof; and
- I. Present and future rights to condemnation awards, insurance proceeds or other proceeds at any time payable to or received by Mortgagor on account of the Property or any of the foregoing personal property.

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All personal property hereinabove described is hereinafter referred to as the "Personal Property".

If any of the Property is of a nature that a security interest therein can be perfected under the Uniform Commercial Code, this instrument shall constitute a security agreement and financing statement if permitted by applicable law and Mortgagor authorizes Mortgagee to file a financing statement describing such Property and, at Mortgagee's request, agrees to join with Mortgagee in the execution of any financing statements and to execute any other instruments that may be necessary or desirable, in Mortgagee's determination, for the perfection or renewal of such security interest under the Uniform Commercial Code.

TO HAVE AND TO HOLD the same unto Mortgagee for the purpose of securing:

(a) Payment to the order of Mortgagee of the indebtedness evidenced by a promissory note of even date herewith (and any restatement, extension or renewal thereof and any amendment thereto) executed by Mortgagor for the principal sum of FIFTY-NINE MILLION DOLLARS, with final maturity no later than September 1, 2018 and with interest as therein expressed (which promissory note, as such instrument may be amended, restated, renewed and extended, is hereinafter referred to as the "Note"), it being recognized that the funds may not have been fully advanced as of the date hereof but may be advanced in the future in accordance with the terms of the Funding Agreement of even date herewith between Mortgagor and Mortgagee (as the same may be amended from time to time, the "Funding Agreement"); and

(b) Payment of all sums that may become due Mortgagee under the provisions of, and the performance of each agreement of Mortgagor contained in, the Loan Documents.

"Loan Documents" means this instrument, the Note, that certain Mortgage Loan Commitment of even date herewith from Mortgagee to Mortgagor (the "Commitment"), that certain Absolute Assignment of Leases and Rents of even date herewith between Mortgagor and Mortgagee (the "Absolute Assignment"), that certain Certification of Borrower of even date herewith, the Funding Agreement, and any other agreement entered into or document executed by Mortgagor and delivered to Mortgagee in connection with the indebtedness evidenced by the Note, except for that certain Environmental Indemnity Agreement of even date herewith given by Hines Real Estate Holdings Limited Partnership, a Texas limited partnership (the "Principal") to Mortgagee (the "Environmental Indemnity Agreement"), as any of the foregoing may be amended from time to time.

"Guarantee" means that certain Guarantee of even date from the Principal to Mortgagee, as it may be amended from time to time.

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"Guarantee of Recourse Obligations" means that certain Guarantee of Recourse Obligations of even date from the Principal to Mortgagee, as it may be amended from time to time.

"Mortgagor's Limited Liability Company Agreement" means that certain Limited Liability Company Agreement of even date herewith between The Northwestern Mutual Life Insurance Company, a Wisconsin corporation (in its capacity as a member of Mortgagor, "Northwestern Member") and Wells Street Flats Holdings LLC, a Delaware limited liability company (the "Hines Member"), as it may be amended from time to time.

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

Payment of Debt. Mortgagor agrees to pay the indebtedness hereby secured (the "Indebtedness") promptly and in full compliance with the terms of the Loan Documents.

Ownership. Mortgagor represents that it owns the Land and has good and lawful right to convey the same and that the Land is free and clear from any and all encumbrances whatsoever, except as appears in the title policy issued in favor of Mortgagee. Mortgagor does hereby forever warrant and shall forever defend the title and possession thereof against the lawful claims of any and all persons whomsoever (except for claims of parties under those encumbrances appearing in the mortgagee title policy issued in favor of Mortgagee).

Maintenance of Property and Compliance with Laws. Mortgagor agrees to keep the buildings and other improvements now or hereafter erected on the Land in good condition and repair; not to knowingly commit or suffer any waste; to comply with all laws, rules and regulations affecting the Property; and to permit Mortgagee to enter at all reasonable times (following reasonable prior notice by Mortgagee to Mortgagor) for the purpose of inspection and of conducting, in a reasonable and proper manner, such tests as Mortgagee determines to be necessary in order to monitor Mortgagor's compliance with applicable laws and regulations regarding hazardous materials affecting the Property.

Tenants Using Chlorinated Solvents. Mortgagor agrees not to lease any of the Property, without the prior written consent of Mortgagee, to (i) dry cleaning operations that perform dry cleaning on site with chlorinated solvents or (ii) any other tenants that use chlorinated solvents in the operation of their businesses. Notwithstanding the above, the foregoing covenant shall not prohibit Mortgagor from using chlorinated solvents in the pool composing a part of the Property or permitting a tenant's use and storage of products which are normally used for general retail operations or residential uses but which contain de minimis amounts of chlorinated solvents, provided Mortgagor shall, and shall require each such tenant to, use, store, and dispose of said solvents in compliance with applicable law.

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Business Restriction Representation and Warranty. Mortgagor represents and warrants that Mortgagor, any member owning a direct interest in Mortgagor, any Hines Affiliate owning (directly or indirectly) interests in the Hines Member (or the transferee of the Hines Member) that represent 25% or more of the outstanding ownership interests in the managing and/or controlling member of the Hines Member (or the managing and/or controlling member, partner or shareholder of transferee), all guarantors of all or any portion of the Note (if any), and all persons and entities executing any separate indemnity agreement in favor of Mortgagee in connection with the loan evidenced by the Note: (i) are not, and shall not become, a person or entity with whom Mortgagee is prohibited from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated Nationals and Blocked Persons list) or under any statute that prohibits persons transacting business in the United States from entering into transactions with other persons by reason of violation of money laundering, terrorist financing or official international sanctions against other countries or nationals of other countries, or executive order (including, but not limited to, Executive Order Number 13224 dated September 24, 2001 entitled Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other regulation under any such statute; (ii) are not, and shall not become, a person or entity with whom Mortgagee is prohibited from doing business under the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders thereunder; and (iii) are not knowingly engaged in, and shall not knowingly engage in, any dealings or transaction or be otherwise associated (in any way that violates applicable law) with such persons or entities described in clause (i) or (ii).

"Hines Affiliate" means any entity which (a) is any of (i) a general or limited partnership, in which the only managing general partners are Gerald D. Hines, Jeffrey C. Hines, Hines Interests Limited Partnership, a Delaware limited partnership, or the successor of substantially all the business of Hines Interests Limited Partnership ("HILP") or another Hines Affiliate; (ii) a limited liability company in which the only managing members are one or more of Gerald D. Hines, Jeffrey C. Hines, HILP or another Hines Affiliate; (iii) a corporation the majority of the voting stock of which is owned, directly or indirectly, by members of the Hines Family, one or more Hines Family Trusts or another Hines Affiliate; (iv) HILP; (v) any fund or co-investment vehicle, platform or program (e.g., a series of related coordinated investments through project-specific legal entities) controlled by HILP or another Hines Affiliate, as fund/entity/program managing general partner, managing member or manager; (vi) the Hines REIT; (vii) the Hines Global REIT; or (viii) any other entity other than the types of entities described in clauses (i) - (vii) of this definition that is controlled, directly or indirectly, by Gerald D. Hines, Jeffrey C. Hines, HILP or another Hines Affiliate and (b) has non-exclusive rights to use the "Hines" name or brand and to access the "Hines" support network in discharging its obligations under this Agreement.

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"Hines Family" means any one or more of (i) Jeffrey C. Hines, his spouse and his children and grandchildren (including, without limitation, children and grandchildren by adoption); (ii) Gerald D. Hines, his spouse and his children and grandchildren (including, without limitation, children and grandchildren by adoption); or (iii) the estate of either of them or the issue (including, without limitation, children and grandchildren by adoption), brothers, sisters and spouses of issue of Gerald D. Hines or Jeffrey C. Hines.

"Hines Family Trust" means a trust, the vested beneficiaries of which include members of the Hines Family and in which the only trustees are Gerald D. Hines, Jeffrey C. Hines, members of the Hines Family, HILP or another Hines Affiliate.

"Hines Global REIT" means Hines Global REIT, Inc., its successors and assigns, and any successor to all or a substantial part of the assets of the Hines Global REIT.

"Hines REIT" means Hines Real Estate Investment Trust, Inc., its successors and assigns, and any successor to all or a substantial part of the assets of the Hines REIT.

Insurance. Mortgagor agrees to keep the Property insured for the protection of Mortgagee and Mortgagee's wholly owned subsidiaries and agents in such manner, in such amounts and in such companies as Mortgagee has approved (such approved amounts and policy types and deductibles as of the date hereof being described in the Commitment) as well as other insurance as reasonably required by Mortgagee from time to time provided such insurance is of a type, and in such amounts, as is required by other institutional lenders for similar properties and Mortgagee provides Mortgagor with not less than thirty (30) days prior written notice of such other insurance requirements, and to keep the policies therefor, properly endorsed, on deposit with Mortgagee, or at Mortgagee's option, to keep certificates of insurance (Acord 28 for all property insurance and Acord 25 for all liability insurance) evidencing all insurance coverages required hereunder on deposit with Mortgagee, which certificates shall provide, if available, at least thirty (30) days notice of cancellation to Mortgagee and shall list Mortgagee as the certificate holder; if Mortgagor requests Mortgagee to accept a different form of certificate of insurance, Mortgagee shall not unreasonably withhold its consent, provided, a copy of a standard mortgagee endorsement in favor of Mortgagee stating, if available, that the insurer shall provide at least thirty (30) days notice of cancellation to Mortgagee accompanies such certificate; that insurance loss proceeds from all property insurance policies, whether or not required by Mortgagee (less expenses of collection) shall, at Mortgagee's option, be applied on the Indebtedness (provided no prepayment fee shall be due in connection therewith), whether due or not, or to the restoration of the Property, or be released to Mortgagor, but such application or release shall not cure or waive any default under any of the Loan Documents. If Mortgagee elects to apply the insurance loss proceeds on the Indebtedness, no prepayment fee shall be due thereon.

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Notwithstanding the foregoing provision, Mortgagee agrees that, (i) if the casualty occurs prior to Project Final Completion Other Than Retail Tenant Finishes (as defined below), the insurance proceeds shall be held by Mortgagee and, provided conditions (a), (b), (d), (f), (g), and (h) below are satisfied, shall be disbursed by Mortgagee for restoration in accordance with, and subject to the conditions in, the Funding Agreement as if such proceeds were loan proceeds and (ii) if the insurance loss proceeds are less than the unpaid principal balance of the Note and if the casualty occurs after Project Final Completion Other Than Retail Tenant Finishes and prior to the last twelve (12) months of the term of the Note, then the insurance loss proceeds (less expenses of collection) shall be applied to restoration of the Property to its condition prior to the casualty, subject to satisfaction of the following conditions:

- (a) There is no existing Event of Default at the time of casualty.
- (b) The casualty insurer has not denied liability for payment of insurance loss proceeds to Mortgagor as a result of any act, neglect, use or occupancy of the Property by Mortgagor or any tenant of the Property.
- (c) Mortgagee shall be satisfied that all insurance loss proceeds so held, together with supplemental funds to be made available by Mortgagor, shall be sufficient to complete the restoration of the Property. Any remaining insurance loss proceeds may, at the option of Mortgagee, be applied on the Indebtedness (without prepayment fee) whether or not due, or be released to Mortgagor.
- (d) If required by Mortgagee, Mortgagee shall be furnished a satisfactory report addressed to Mortgagee from an environmental engineer or other qualified professional satisfactory to Mortgagee to the effect that no adverse environmental impact to the Property resulted from the casualty that cannot be timely remediated, in a manner satisfactory to Mortgagee.
- (e) Mortgagee shall release casualty insurance proceeds as restoration of the Property progresses provided that Mortgagee is furnished satisfactory evidence of the costs of restoration and if, at the time of such release, there shall exist no Monetary Default (as hereinafter defined) under the Loan Documents and no Non-Monetary Default with respect to which Mortgagee shall have given Mortgagor notice pursuant to the "**Notice of Default**" provision herein. If a Monetary Default shall occur or Mortgagee shall give Mortgagor notice of a Non-Monetary Default, Mortgagee shall have no further obligation to release insurance loss proceeds hereunder unless such default is cured within the cure period set forth in the "**Notice of Default**" provision contained herein. If the estimated cost of restoration exceeds \$1,000,000.00, (i) the drawings and specifications for the restoration shall

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be approved by Mortgagee in writing prior to commencement of the restoration, and (ii) Mortgagee shall receive an administration fee equal to one-half of one percent (0.5%) of the cost of restoration; but in no event shall such administration fee exceed \$200,000.00.

- (f) Prior to each release of funds, Mortgagor shall obtain for the benefit of Mortgagee an endorsement to Mortgagee's title insurance policy insuring Mortgagee's lien as a first and valid lien on the Property subject only to liens and encumbrances theretofore approved by Mortgagee.
- (g) Mortgagor shall pay all costs and expenses incurred by Mortgagee, including, but not limited to, outside legal fees, title insurance costs, third-party disbursement fees, third-party engineering reports and inspections deemed necessary by Mortgagee. Mortgagee hereby agrees to review Mortgagor's proposed list of third party engineers and inspectors and consider whether it may be acceptable to Mortgagee to engage any of said engineers and inspectors prior to engaging Mortgagee's own third party consultants
- (h) All reciprocal easement and operating agreements benefiting the Property, if any, shall remain in full force and effect between the parties thereto on and after restoration of the Property.
- (i) Mortgagee shall be satisfied that Projected Debt Service Coverage of at least 1.10 will be produced from the leasing of apartment units with lease terms of at least six (6) months to commence not later than thirty (30) days following completion of such restoration ("Approved Leases").
- (j) All Major Tenant (as hereinafter defined) leases in effect at the time of the casualty with tenants who have entered into a non-disturbance and attornment agreement or similar agreement with Mortgagee shall remain in full force, and Mortgagee shall be satisfied that restoration can be completed within a timeframe such that each tenant thereunder shall be obligated, or each such tenant shall have elected, to continue the lease term at full rental (subject only to abatement, if any, during any period in which the Property or a portion thereof shall not be used and occupied by such tenant as a result of the casualty). Notwithstanding the foregoing, for purposes of satisfying this condition (j), Mortgagor shall have the right to replace leases required above with other leases, provided (i) such leases are to tenants whose creditworthiness is not materially less than that of the existing tenant, as reasonably determined by Mortgagee, and (ii) such leases are for approximately the same square footage, length of term, and rent, as reasonably determined by Mortgagee.

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Notwithstanding the foregoing, Mortgagee agrees that, if the insurance loss proceeds are less than three percent (3%) of the unpaid principal balance of the Note and if the casualty occurs after Project Final Completion Other Than Retail Tenant Finishes but prior to the last 12 months of the term of the Note, the insurance loss proceeds (less expenses of collection) shall be applied to restoration of the Property to its condition prior to the casualty, subject only to satisfaction of conditions (a) through (c) above (inclusive); provided, however, that if, in the reasonable opinion of Mortgagee a report from an environmental engineer or other qualified professional is required with regard to any adverse environmental impact to the Property resulting from the casualty, then, in addition, condition (d) above shall apply.

Notwithstanding anything to the contrary contained herein, in the event that a casualty occurs and an emergency situation results after the casualty that threatens life, health, or safety or conditions exist which, if not remedied immediately, could materially increase the cost of restoration, Mortgagee shall release a portion of the insurance proceeds necessary, in Mortgagee's reasonable discretion, to remedy the emergency situation prior to condition (d) above being fully satisfied; provided, however that all of the other conditions (other than (d)) above must be satisfied; and, further provided, however, that this provision is not interpreted to remove the necessity of later satisfying condition (d) above.

"Projected Debt Service Coverage" means a number calculated by dividing Projected Operating Income Available for Debt Service for the first fiscal year following restoration of the Property by the debt service during the same fiscal year under all indebtedness secured by any portion of the Property. For purposes of the preceding sentence, "debt service" means the greater of (x) debt service due under all such indebtedness during the first fiscal year following completion of the restoration of the Property or (y) debt service that would be due and payable during such fiscal year if all such indebtedness were amortized over 30 years (whether or not amortization is actually required) and if interest on such indebtedness were due as it accrues at the face rate shown on the notes therefor (whether or not interest payments based on such face rates are required).

"Projected Operating Income Available for Debt Service" means projected gross annual rent from the Approved Leases for the first full fiscal year following completion of the restoration of the Property less:

- (A) The operating expenses of the Property for the last fiscal year preceding the casualty and
- (B) the following:

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- (i) a replacement reserve for capital improvements, unit remodels and structural items of not less than \$525.00 per unit (\$450.00/unit and \$75.00/parking stall), as well as a reserve for future tenant improvements, leasing commissions and structural items based on not less than \$3.17 per retail square foot per annum;
- (ii) the amount, if any, by which actual gross income during such fiscal period exceeds that which would be earned from the rental of 94% of the residential rental units and 90% of the gross leasable retail square foot area in the Property;
- (iii) the amount, if any, by which the actual management fee is less than 2.50% of gross revenue during such fiscal period;
- (iv) the amount, if any, by which the actual real estate taxes are less than \$3,013.00 per unit per annum; and
- (v) the amount, if any, by which total operating expenses, excluding management fees, real estate taxes and replacement reserves, are less than \$7,833.00 per unit per annum.

All projections referenced above shall be calculated in a manner satisfactory to Mortgagee.

Condemnation. Mortgagor hereby assigns to Mortgagee (i) any award and any other proceeds resulting from damage to, or the taking of, all or any portion of the Property, and (ii) the proceeds from any sale or transfer in lieu thereof (collectively, "Condemnation Proceeds") in connection with condemnation proceedings or the exercise of any power of eminent domain or the threat thereof (hereinafter, a "Taking"). If (i) the Taking occurs prior to Project Final Completion Other Than Retail Tenant Finishes, the Condemnation Proceeds shall be held by Mortgagee and shall be disbursed by Mortgagee for restoration in accordance with, and subject to (A) the conditions in the Funding Agreement as if such Condemnation Proceeds were loan proceeds, (B) the conditions set forth above in the section entitled "**Insurance**" if a casualty occurred prior to Project Final Completion Other Than Retail Tenant Finishes and (C) the further condition that the construction of the proposed improvements on the Land being financed by the loan evidenced by the Note can be constructed substantially as contemplated in the Funding Agreement, and (ii) the Taking occurs after Project Final Completion Other Than Retail Tenant Finishes, the Condemnation Proceeds are less than the unpaid principal balance of the Note and are received after Project Final Completion Other Than Retail Tenant Finishes, and such damage or Taking occurs prior to the last twelve (12) months prior to the Maturity Date (as defined in the Note), such Condemnation Proceeds (less expenses of collection) shall be applied to restoration of the Property to its condition, or the functional equivalent of its condition prior to the Taking,

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subject to the conditions set forth above in the section entitled "**Insurance**" and subject to the further condition that restoration or replacement of the improvements on the Land to their functional and economic utility prior to the Taking is possible. Any portion of such award and proceeds not applied to restoration shall, at Mortgagee's option, be applied on the Indebtedness, whether due or not, or be released to Mortgagor, but such application or release shall not cure or waive any default under any of the Loan Documents.

Taxes and Special Assessments. Mortgagor agrees to pay before delinquency all taxes and special assessments of any kind that have been or may be levied or assessed against the Property, this instrument, the Note or the Indebtedness, or upon the interest of Mortgagee in the Property, this instrument, the Note or the Indebtedness, and to procure and deliver to Mortgagee within 30 days after Mortgagee shall have given a written request to Mortgagor, the official receipt of the proper officer showing timely payment of all such taxes and assessments; provided, however, that Mortgagor shall not be required to pay any such taxes or special assessments if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and funds sufficient to satisfy the contested amount have been deposited in an escrow satisfactory to Mortgagee.

Personal Property. With respect to the Personal Property, Mortgagor hereby represents, warrants and covenants as follows:

(a) Except for the security interest granted hereby, Mortgagor is, and as to portions of the Personal Property to be acquired after the date hereof will be, the sole owner of the Personal Property, free from any lien, security interest, encumbrance or adverse claim thereon of any kind whatsoever (except for any Personal Property which is leased, which is subject to the terms and conditions of the lease for such Personal Property). Mortgagor shall notify Mortgagee of, and shall indemnify and defend Mortgagee and the Personal Property (including but not limited to the leased property, to the extent any such lease is assignable) against, all claims and demands of all persons at any time claiming the Personal Property or any part thereof or any interest therein.

(b) Except as otherwise provided herein, Mortgagor shall not lease, sell, convey or in any manner transfer the Personal Property without the prior consent of Mortgagee.

(c) Mortgagor is a limited liability company organized under the laws of the State of Delaware. Until the Indebtedness is paid in full, Mortgagor (i) shall not change its legal name without providing Mortgagee with thirty (30) days prior written notice; (ii) shall not change its state of organization; and (iii) shall preserve its existence and shall not, in one transaction or a series of transactions, merge into or consolidate with any other entity.

(d) At the request of Mortgagee, Mortgagor shall join Mortgagee in executing one or more financing statements and continuations and amendments thereof pursuant to the

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Uniform Commercial Code in form reasonably required by Mortgagee, and Mortgagor shall pay the cost of filing the same in all public offices wherever filing is deemed by Mortgagee to be necessary or desirable. Mortgagor shall also, at Mortgagor's expense, take any and all other action reasonably requested by Mortgagee to perfect Mortgagee's security interest under the Uniform Commercial Code with respect to the Personal Property, including, without limitation, exercising diligent efforts to obtain any consents, agreements or acknowledgments required of third parties to perfect Mortgagee's security interest in Personal Property consisting of deposit accounts, letter-of-credit rights, investment property, and electronic chattel paper.

Other Liens. Mortgagor agrees to keep the Property and any Personal Property free from all other liens either prior or subsequent to the lien created by this instrument, except as permitted below. The (i) creation of any other lien on any portion of the Property or on any Personal Property (other than the lien created by this instrument), whether or not prior to the lien created hereby, which, in the case of mechanics' or materialmen's liens or similar liens filed by third parties against the Property, remain undischarged for a period of thirty (30) days following the date Mortgagor obtains notice of such liens, (ii) assignment or pledge by Mortgagor of its revocable license to collect, use and enjoy rents and profits from the Property, except as provided below following the caption entitled "**Prohibition on Transfer**" or (iii) the granting by the members of Mortgagor (or the managing and controlling member, partner or shareholder of a member of Mortgagor) of security interests in their direct ownership interests in Mortgagor (or, as applicable, in a member of Mortgagor), except as provided below following the caption entitled "**Prohibition on Transfer**", shall constitute a default under the terms of this instrument; except that upon written notice to Mortgagee, Mortgagor may proceed to contest in good faith and by appropriate proceedings any mechanics liens, tax liens or judgment liens with respect to the Property or any Personal Property described herein, provided funds or other security sufficient to satisfy the contested amount have been deposited in an escrow satisfactory to Mortgagee or Mortgagor bonds around or insures over any such lien; provided, however, such bond or surety or title insurance must be in a form reasonably satisfactory to Mortgagee.

Indemnification, Duty to Defend and Costs, Fees and Expenses. In addition to any other indemnities contained in the Loan Documents, Mortgagor shall indemnify, defend and hold Mortgagee harmless from and against any and all losses, liabilities, claims, demands, damages, costs and expenses (including, but not limited to, costs of title evidence and endorsements to Mortgagee's title insurance policy with respect to the Property and reasonable attorney fees and other costs of defense) which may be imposed upon, incurred by or asserted against Mortgagee, whether or not any legal proceeding is commenced with regard thereto, in connection with: (i) the exercise by Mortgagee of any of its rights or powers under the Loan Documents after an Event of Default; (ii) the protection of Mortgagee's interest in the Property; or (iii) third party claims resulting from any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the

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Property or on any sidewalk, curb, parking area, space or street located adjacent thereto, unless the loss is caused by the gross negligence, willful misconduct or bad faith of Lender, its successors or assigns or their respective partners, members, employees or agents or is incurred after the date Lender acquires title to or possession of the Property. If any claim or demand is made or asserted against Mortgagee by reason of any event as to which Mortgagor is obligated to indemnify or defend Mortgagee, then, upon demand by Mortgagee, Mortgagor, at Mortgagor's sole cost and expense, shall defend such claim, action or proceeding in Mortgagee's name, if necessary, by such attorneys as Mortgagee shall reasonably approve. Notwithstanding the foregoing, Mortgagee may, in Mortgagee's sole discretion, engage its own attorneys to defend it or assist in its defense and Mortgagor shall pay the reasonable fees and disbursements of such attorneys.

Failure of Mortgagor to Act. If Mortgagor fails to make any payment or do any act as herein provided, Mortgagee may, without obligation to do so, after such failure becomes an Event of Default, without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereof: (i) make or do the same in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof, Mortgagee being authorized to enter upon the Property for such purpose; (ii) appear in and defend any action or proceeding purporting to affect the security hereof, or the rights or powers of Mortgagee; (iii) pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of Mortgagee appears to be prior or superior hereto; and (iv) in exercising any such powers, pay necessary expenses, employ counsel and pay its reasonable fees. Sums so expended and all losses, liabilities, claims, damages, costs and expenses required to be reimbursed by Mortgagor to Mortgagee hereunder shall be payable by Mortgagor immediately upon demand with interest from date of expenditure or demand, as the case may be, at the Default Rate (as defined in the Note). All sums so expended or demanded by Mortgagee and the interest thereon shall be included in the Indebtedness and secured by the lien of this instrument. In no event shall the maximum amount secured hereby exceed two hundred percent (200%) of the principal amount of the Note.

In furtherance and not in limitation of the preceding paragraph, unless Mortgagor provides Mortgagee with evidence of the insurance coverage required by this instrument, Mortgagee may purchase insurance at Mortgagor's expense to protect Mortgagee's interest in the Property. This insurance may, but need not, protect Mortgagor's interests. The coverage that Mortgagee purchases may not pay any claim that is made against Mortgagor in connection with the Property. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained insurance as required by this instrument. If Mortgagee purchases insurance for the Property, Mortgagor will be responsible for the costs of that insurance, including interest and any other charges that may be imposed with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Indebtedness. The costs of the insurance may be more than the cost of the insurance Mortgagor may be able to obtain on its own.

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Event of Default. Any default by Mortgagor in making any required payment of the Indebtedness or any default in any provision, covenant, agreement, warranty or certification contained in any of the Loan Documents shall, except as provided in the three immediately succeeding paragraphs, constitute an "Event of Default".

Notice of Default. A default in any provision, covenant, agreement or warranty contained in this instrument or any other Loan Document occurring prior to Project Final Completion Other Than Retail Tenant Finishes shall not constitute an Event of Default unless Mortgagee shall have given a written notice of such default to Mortgagor and Mortgagor shall not have cured such default within ten (10) business days after the date on which Mortgagee shall have given such notice of default to Mortgagor; provided, however, said cure period shall be extended to the number of days reasonably necessary to cure said default provided that Mortgagor has commenced to cure such default within the ten (10) business day period and diligently pursues such cure to Mortgagee's reasonable satisfaction; it being understood that during the continuation of such default, Mortgagee shall not be obligated to make any additional advances of principal of the Note. Upon the failure of Mortgagor to cure any such default prior to the expiration of the applicable cure period, Mortgagee, in addition to all other rights and remedies provided it, may enter upon and take possession of the Property for the purpose of completing the construction of the improvements being financed by the Indebtedness.

Notwithstanding the foregoing, Mortgagee shall not refuse to fund an amount of principal of the Note if such funding of principal would, in and of itself, cure the default if the other conditions (i.e., conditions other than the condition that there be no default) set forth in the Loan Documents for funding such principal have been satisfied.

A default in any payment required in the Note or any other Loan Document occurring on or after Project Final Completion Other Than Retail Tenant Finishes, whether or not payable to Mortgagee (a "Monetary Default") shall not constitute an Event of Default unless Mortgagee shall have given a written notice of such Monetary Default to Mortgagor and Mortgagor shall not have cured such Monetary Default by payment of all amounts in default (including payment of interest at the Default Rate, as defined in the Note, from the date of default to the date of cure on amounts owed to Mortgagee) within 5 business days after the date on which Mortgagee shall have given such notice to Mortgagor.

Any other default under the Note or under any other Loan Document (a "Non-Monetary Default") shall not constitute an Event of Default unless Mortgagee shall have given written notice of such Non-Monetary Default to Mortgagor and Mortgagor shall not have cured such Non-Monetary Default within 30 days after the date on which Mortgagee shall have given such notice of default to Mortgagor (or, if the Non-Monetary Default is not curable within such 30-day period, Mortgagor shall not have diligently

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undertaken and continued to pursue the curing of such Non-Monetary Default and deposited an amount sufficient to cure such Non-Monetary Default in an escrow account satisfactory to Mortgagee).

In no event shall the notice and cure period provisions recited above constitute a grace period for the purposes of commencing interest at the Default Rate (as defined in the Note).

Notwithstanding anything contained in herein, in any of the Loan Documents to the contrary, a default caused by Northwestern Member cannot form the basis for a Mortgageor default under the Loan Documents.

"Project Final Completion Other Than Retail Tenant Finishes" means (i) the lien-free completion (or, if there are liens, the same are bonded over or insured over to the reasonable satisfaction of Mortgagee) of all improvements being financed from the principal of the Note (the "Improvements") in substantial accordance with the drawings and specifications approved by Mortgagee (including, without limitation, punchlist items but excluding retail tenant finishes), as evidenced by (a) a Contractor's Final Affidavit and Release of Claims in the form attached to the Funding Agreement by the General Contractor (as defined in the Funding Agreement), a Subcontractor's Final Affidavit and Release of Claims in the form attached to the Funding Agreement by each Major Subcontractor (as defined in the Funding Agreement), (b) a certificate of completion (AIA Document G704) by Hartshorne Plunkard Architects, Ltd., as the architect of record, or any successor architect working on the Improvements reasonably approved by Mortgagee, (c) an endorsement to Mortgagee's policy of title insurance for the principal of the Note disbursed to date; and (d) the receipt by Mortgagee of all final certificates of occupancy necessary for occupancy of all of the residential portion of the Improvements and a final shell certificate of occupancy for the retail portion of the Improvements, an as-built survey, a final set of drawings and specifications showing actual changes made during construction, and the consent to the release of the final retainage of each surety which shall have issued a performance and payment bond on the general contractor for the benefit of Mortgagee with respect to the improvements

"Debt Service Coverage" means a number calculated by dividing Net Income Available for Debt Service for a given period by the debt service during the same fiscal period under all indebtedness (including the Indebtedness) secured by any portion of the Property. For purposes of the preceding sentence, "debt service" means the actual debt service due under all indebtedness secured by any portion of the Property based upon an amortization schedule which is the shorter of the actual amortization schedule or 30 years (whether or not amortization is actually required) and, if an accrual loan, as if interest and principal on such indebtedness were due monthly.

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"Net Income Available for Debt Service" means net income (prior to giving effect to any capital gains or losses and any extraordinary items) from the Property, determined in accordance with generally accepted accounting principles, for a fiscal period, plus the following (to the extent deducted in determining net income from the Property):

- A) interest on indebtedness secured by any portion of the Property for such fiscal period;
- B) depreciation, if any, of fixed assets at or constituting the Property for such fiscal period;
- C) amortization, if any, of standard tenant finish expenditures at the Property (but specifically **excluding** the amortization of tenant finish expenditures by Mortgagor in excess of \$30.00 per square foot for new tenants and \$10.00 per square foot for renewal tenants (i.e., above standard retail tenant finishes)); and
- D) amortization of costs incurred in connection with any indebtedness secured by any portion of the Property and leasing commissions which have been prepaid;

less the following:

- E) an amount (positive or negative) to offset any rent averaging adjustment resulting from adherence to FASB-13;
- F) the amortization of free rent and any other tenant concessions and promotional items not deducted in the calculation of net income above;
- G) a replacement reserve for capital improvements, unit removals and structural items of not less than \$525.00 per residential unit (\$450.00/unit and \$75.00/parking stall), as well as a reserve for future retail tenant improvements, leasing commissions and structural items based on not less than \$3.34 per retail square foot per annum;
- H) the amount, if any, by which actual gross income during such fiscal period exceeds that which would be earned from the rental of 94% of the residential rental units and 90% for the gross leasable retail square foot in the Property;
- I) the amount, if any, by which the actual management fee is less than 2.50% of gross revenue during such fiscal period;

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- J) the amount, if any, by which the actual real estate taxes are less than \$3,013.00 per unit per annum; and
- K) the amount, if any, by which total actual operating expenses, excluding management fees, real estate taxes and replacement reserves, are less than \$7,833.00 per unit per annum.

All adjustments to net income referenced above shall be calculated in a manner satisfactory to Mortgagee.

Appointment of Receiver. During the continuance of an Event of Default and upon the commencement of any proceeding to enforce any right under this instrument, including foreclosure thereof, Mortgagee (without limitation or restriction by any present or future law, without regard to the solvency or insolvency at that time of any party liable for the payment of the Indebtedness, without regard to the then value of the Property, whether or not there exists a threat of imminent harm, waste or loss to the Property and or whether the same shall then be occupied by the owner of the equity of redemption as a homestead) shall have the absolute right to the appointment of a receiver of the Property and of the revenues, rents, profits and other income therefrom, and said receiver shall have (in addition to such other powers as the court making such appointment may confer) full power to collect all such income and, after paying all necessary expenses of such receivership and of operation, maintenance and repair of said Property, to apply the balance to the payment of any of the Indebtedness then due, which rights and remedies under this paragraph shall be enforceable to the fullest extent permitted by law.

Foreclosure. Upon the occurrence of an Event of Default, the entire unpaid Indebtedness shall, at the option of Mortgagee, become immediately due and payable for all purposes without any notice or demand, except as required by law (ALL OTHER NOTICE OF THE EXERCISE OF SUCH OPTION, OR OF THE INTENT TO EXERCISE SUCH OPTION, BEING HEREBY EXPRESSLY WAIVED), and Mortgagee may, in addition to exercising any rights it may have with respect to the Personal Property under the Uniform Commercial Code of the jurisdiction in which the Property is located, institute proceedings in any court of competent jurisdiction to foreclose this instrument as a mortgage, or to enforce any of the covenants hereof all to the fullest extent permitted by law, or Mortgagee may, to the extent permitted by applicable law, either personally or by agent or attorney in fact, enter upon and take possession of the Property and may complete construction of the buildings and improvements and manage, rent or lease the Property or any portion thereof upon such terms as Mortgagee may deem expedient, and collect, receive and receipt for all rentals and other income therefrom and apply the sums so received as hereinafter provided in case of sale. Mortgagee is hereby further authorized and empowered, to the extent permitted by applicable law, as agent or attorney in fact, either after or without such entry, to sell and dispose of the Property en masse or in separate parcels (as Mortgagee may think best), and all the right, title and interest of Mortgagor therein, by advertisement or in any manner

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provided by applicable law, (MORTGAGOR HEREBY EXPRESSLY WAIVES ANY RIGHT TO A HEARING PRIOR TO SUCH SALE, TO THE EXTENT PERMITTED BY APPLICABLE LAW), and to issue, execute and deliver a deed of conveyance, all as then may be provided by applicable law; and Mortgagee, to the extent permitted by applicable law, shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges, costs of advertising the Property and of making said sale, and attorneys' fees as herein provided, apply such proceeds to the Indebtedness, including all sums advanced or expended by Mortgagee or the legal holder of the Indebtedness, with interest from date of advance or expenditure at the Default Rate (as defined in the Note), rendering the excess, if any, as provided by law; such sale or sales and said deed or deeds so made shall be a perpetual bar, both in law and equity, against Mortgagor, the heirs, successors and assigns of Mortgagor, and all other persons claiming the Property aforesaid, or any part thereof, by, from, through or under Mortgagor, all to the fullest extent permitted by law. The legal holder of the Indebtedness may purchase the Property or any part thereof, and it shall not be obligatory upon any purchaser at any such sale to see to the application of the purchase money.

Waiver of Redemption. Mortgagor releases and waives all rights to retain possession of the Property after any default in payment or breach of any of the obligations, covenants, undertakings or agreements herein or in the Note and after the expiration of any applicable cure period to the extent permitted by applicable law; Mortgagor hereby releases and waives, to the extent permitted by applicable law, any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its own behalf and, if Mortgagor is a trust, on behalf of the Beneficiary of Mortgagor, and each and every person, except decree and judgment creditors of the Mortgagor, including any and all persons acquiring any interest in or title to the Property or any beneficial interest in Mortgagor. Mortgagor shall not, and will not, apply for or avail itself of any appraisal, valuation, stay, extension or exemption law, or so-called "Moratorium Laws" now existing or hereinafter enacted, in order to prevent or hinder the enforcement of foreclosure of this Mortgage, but hereby waives the benefit of such laws, to the extent permitted by applicable law. Mortgagor for itself and all who may claim through or under it waives any and all right to have the Property, and any estates comprising the Property, marshaled upon any foreclosure of the lien hereon and agree that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety, to the extent permitted by applicable law. If Mortgagor is a trust, no provision of this paragraph or of this Mortgage shall prevent the Beneficiary of Mortgagor from bidding at any foreclosure sale of the Property.

Prohibition on Transfer. The present ownership and management of the Property is a material consideration to Mortgagee in making the loan secured by this instrument, and Mortgagor shall not (i) convey title to all or any part of the Property, (ii) enter into any contract to convey (land contract/installment sales contract/contract for deed) title to all or any part of the Property which gives a purchaser possession of, or income from, the Property prior to a transfer of title to all or any part of the Property ("Contract to

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Convey") or (iii) cause or permit a Change in the Proportionate Ownership (as hereinafter defined) of Mortgagor. Any such conveyance, entering into a Contract to Convey or Change in the Proportionate Ownership of Mortgagor shall constitute a default under the terms of this instrument. Notwithstanding the foregoing, none of the following shall be a default hereunder or under the terms of any Loan Document: (1) a transfer which is expressly permitted pursuant to the terms and provisions in this "**Prohibition on Transfer**" provision, (2) tenant leases which are entered into in accordance with the Condition in the Commitment entitled "***Tenant Leases***", (3) any transfer as the result of a Taking, and (4) liens in compliance with the "**Other Liens**" provision hereof.

"Change in the Proportionate Ownership" means a change in, or the existence of a lien on, the direct or indirect ownership interests of Mortgagor other than a transfer of a direct or indirect ownership interest in Mortgagor to an Affiliate of a member in Mortgagor or to a Hines Affiliate)

"Affiliate" means, with respect to an entity (the "Entity"), an entity or individual which owns more than 50% of the ownership interests of the Entity and controls the Entity, an entity in which the Entity owns more than 50% of the ownership interests and which is controlled by the Entity, or an entity (the "Sister Entity") in which the same entity or individual owns more than 50% of the direct or indirect ownership interests in both the Entity and the Sister Entity and controls both the Entity and the Sister Entity. As used herein, "controls" or "controlled" means, with respect to an entity, the possession by another individual or entity, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

Notwithstanding the foregoing or any other provision contained herein to the contrary, but subject to the "Entity Requirement" (defined below):

(A) Mortgagee's consent shall not be required for, the prohibitions described in the first and second paragraphs of this provision shall not apply to, and Mortgagee shall not be entitled to a fee in connection with, a Change in the Proportionate Ownership of Mortgagor that: (i) consists solely of (a) transfers of direct or indirect ownership interests in Mortgagor among Hines Member and any Hines Affiliate(s); provided the Principal remains liable for same obligations under the Guarantee (if then in existence), the Guarantee of Recourse Obligations and the Limited Joinder by Principal to the Environmental Indemnity Agreement after the transfer as it had prior to such transfer; or (b) the transfer of interests in Mortgagor between the Hines Member, Hines Affiliates, Northwestern Member and Affiliates of Northwestern Member, or (ii) results from the transfer, sale, redemption, issuance, assignment and/or pledge of direct and/or indirect interests in the Hines Member so long as following any such conveyance, transfer, sale, redemption, issuance, assignment or pledge, the Hines Member continues to be a Hines Affiliate; and/or

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(B) Mortgagee's consent shall not be required for, the prohibitions described in the first and second paragraphs of this provision shall not apply to, and Mortgagee shall not be entitled to a fee in connection, with the direct or indirect transfer, conveyance, sale, redemption, assignment or pledge of the direct or indirect interests of the non-managing (and not controlling) member in the Hines Member, provided the Hines Member continues to be a Hines Affiliate.

Notwithstanding any language to the contrary, transfers of direct or indirect ownership interests in Mortgagor under (A) and (B) above must meet the further requirement or qualification that Mortgagor is (and will continue to be after giving effect to the transfer) in compliance with the "**Business Restriction Representation and Warranty**" provision herein.

Notwithstanding the foregoing, provided an Event of Default has not occurred (other than an Event of Default caused by Northwestern Member), upon prior written request from Mortgagor or the Hines Member, if the Hines Member is purchasing the interest of Northwestern Member pursuant to the buy-sell provision (the "Buy-Sell") in Section 11.1 of Mortgagor's Limited Liability Company Agreement (provided such Buy-Sell is not the result of or triggered by a termination by Northwestern Member of the Development Agreement of even date herewith between Mortgagor and Hines Interests Limited Partnership, a Delaware limited partnership (the "Development Agreement") pursuant to Section 8.10 of Mortgagor's Limited Liability Company Agreement), Mortgagee shall not withhold its consent to an assumption of the Indebtedness as long as Mortgagee determines, in its reasonable judgment, that the Assumption Criteria below are satisfied, and, further, Mortgagee shall not require the prepayment of the Note if the following criteria are satisfied (the "Assumption Criteria"):

- (AA) the Property shall have achieved Debt Service Coverage (as hereinafter defined) of at least 1.30 for the immediately preceding 12 month period, and there are no junior liens on the Property (with the exception of any mechanics liens bonded over and/or insured over to the reasonable satisfaction of Mortgagee);
- (BB) Hines Member or a direct or indirect owner of Hines Member (the "Assumption Creditworthy Party") has a net worth, determined in accordance with generally accepted accounting principles, of at least \$100,000,000.00 with cash and cash equivalents of at least \$5,000,000.00 after funding the equity needed to close the purchase;
- (CC) an environmental report on the Property, which meets Mortgagee's then current requirements and is updated to no earlier than ninety (90) days prior to the date of transfer, is provided to Mortgagee at least thirty (30) days

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prior to the date of transfer and said report shall be satisfactory to Mortgagee at the time of transfer;

- (DD) Principal (or a substitute reasonably approved by Mortgagee) shall remain liable under both the Guarantee of Recourse Obligations and the Environmental Indemnity Agreement of even date herewith, and, further, that Principal's liability under both the Guarantee of Recourse Obligations and Environmental Indemnity Agreement shall convert to 100% liability;
- (EE) Mortgagee receives an endorsement to its policy of title insurance, satisfactory to Mortgagee insuring Mortgagee's lien on the Property as a first and valid lien subject only to liens and encumbrances theretofore approved by Mortgagee;
- (FF) pursuant to written documentation prepared by and satisfactory to Mortgagee, Hines Member (i) acknowledges that it shall be bound by the representation and warranty contained in the covenant herein entitled "**Business Restriction Representation and Warranty**" set forth in this instrument, and (ii) certifies that such representation and warranty is true and correct as of the date of transfer and shall remain true and correct at all times during the term of the Note; and
- (GG) the outstanding balance of the Note at the time of the transfer is not more than 60% of the sum of the "Specified Valuation Amount" specified in the "Offering Notice" plus the book value of all "Other Assets" (as each such term is defined in Mortgagor's Limited Liability Company Agreement) pursuant to which the Hines Member is purchasing the interest of Northwestern Member in Mortgagor.

After a transfer to the Hines Member pursuant to the Buy-Sell (provided such Buy-Sell is not the result of or triggered by the termination of the Development Agreement by Northwestern Member under the terms of Section 8.10 of Mortgagor's Limited Liability Company Agreement), notwithstanding the foregoing, provided the Note is not in default and Breakeven has been achieved, upon the prior written request from Mortgagor, Mortgagee shall not withhold its consent to a one-time transfer of all but not less than all of the Property to a single entity or individual, provided the following criteria are satisfied (the "Transfer Criteria"):

- (AAA) the Property shall have achieved Debt Service Coverage (as hereinafter defined) of at least 1.30 for the immediately preceding 12 month period, and there are no junior liens on the Property with the exception of any mechanics liens bonded over and /or insured over or otherwise addressed to the reasonable satisfaction of Mortgagee;

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- (BBB) the transferee or a (direct or indirect) owner of the transferee (the "Transfer Creditworthy Party") has a net worth, determined in accordance with generally accepted accounting principles, of at least \$295,000,000.00 with cash and cash equivalents of at least \$10,000,000.00 after funding the equity needed to close the purchase and a minimum overall real estate portfolio debt service coverage ratio of 1.30 for the prior twelve (12) month period
- (CCC) the transferee or the Transfer Creditworthy Party is experienced in the ownership and management of at least 1,500 of residential rental apartment units;
- (DDD) the transferee, the Transfer Creditworthy Party, and all persons and entities owning (directly or indirectly) an ownership interest in the transferee or the Transfer Creditworthy Party are not (and have never been) (i) subject to any bankruptcy, reorganization or insolvency proceedings or any criminal charges or proceedings, or (ii) a litigant, plaintiff or defendant in any suit brought against or by Mortgagee;
- (EEE) pursuant to written documentation prepared by and satisfactory to Mortgagee, the transferee assumes all of the obligations and liabilities of Mortgagor under the Loan Documents (subject to any limitations on liability set forth therein) arising after the date of the transfer of the Property, and Mortgagee receives a satisfactory enforceability opinion with respect thereto from counsel approved by Mortgagee;
- (FFF) the Transfer Creditworthy Party executes Mortgagee's then current forms of Guarantee and Guarantee of Recourse Obligations, the Transfer Creditworthy Party and the transferee execute Mortgagee's then current form of Environmental Indemnity Agreement for acts or occurrences after the date of transfer of the Property, and Mortgagee receives a satisfactory enforceability opinion with respect to the foregoing from counsel approved by Mortgagee;
- (GGG) an environmental report on the Property which meets Mortgagee's then current requirements and is updated to no earlier than ninety (90) days prior to the date of transfer, is provided to Mortgagee at least thirty (30) days prior to the date of transfer and said report shall be satisfactory to Mortgagee at the time of transfer;
- (HHH) Principal shall remain liable under the Environmental Indemnity Agreement, except for acts or occurrences after the date of transfer of the

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Property, and Mortgagor and shall, except as provided herein, be released from all obligations and liabilities under the Loan Documents;

- (III) Mortgagee receives an endorsement to its policy of title insurance, satisfactory to Mortgagee, insuring Mortgagee's lien on the Property as a first and valid lien subject only to liens and encumbrances theretofore approved by Mortgagee (or leases that are not Major Leases (as hereinafter defined) for which Mortgagee's approval was not required);
- (JJJ) pursuant to written documentation prepared by and satisfactory to Mortgagee, the transferee (i) acknowledges that, in furtherance and not in limitation of clause (EEE) above, it shall be bound by the representation and warranty contained in the covenant entitled "**Business Restriction Representation and Warranty**" set forth in this instrument, and (b) certifies that such representation and warranty, as to itself, is true and correct as of the date of transfer and shall remain true and correct at all times during the term of the Note; and
- (KKK) the outstanding balance of the Note at the time of the transfer is not more than 60% of the gross purchase price of the Property.

If the transferee shall satisfy the financial requirements set forth in subsection (BBB) above, all references to Transfer Creditworthy Party in subsections (CCC) through (FFF) above shall be deemed deleted.

If Mortgagor shall make a one-time transfer pursuant to the above conditions, Mortgagee shall be paid a fee equal to one percent (1%) of the then outstanding balance of the Note at the time of transfer. The fee shall be paid on or before the closing date of such one-time transfer. At the time of such transfer, no modification of the interest rate or repayment terms of the Note will be required.

No subsequent transfers of the Property shall be allowed and no Change in the Proportionate Ownership of transferee shall be allowed without Mortgagee's prior written consent. Notwithstanding the foregoing, Mortgagor and Mortgagee agree that the underlying ownership structure of a particular transferee may cause Mortgagee to determine that the definition of Change in the Proportionate Ownership of such transferee does not adequately address Mortgagee's underlying ownership concerns for such transferee, and accordingly, Mortgagee reserves the right to amend the definition of "Change in the Proportionate Ownership" as it applies to a particular transferee.

Notwithstanding any language contained herein to the contrary, if a transfer to the Hines Member pursuant to the Buy-Sell was the result of, triggered by or related to, the termination by Northwestern Member of the Development Agreement in accordance with

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Section 8.10 of Mortgagor's Limited Liability Company Agreement, then and in such event the Note (i) must be paid in full at closing with any and all associated prepayment fees (at the Modified Yield Maintenance amount) pursuant to the terms of the Note; and (ii) such Note shall not be transferable or assumable.

"Breakeven" means the date following Project Final Completion Other Than Retail Tenant Finishes when, for each of 3 consecutive months, the Property has achieved (i) not less than 93% of the residential units shall have been leased to tenants with initial lease terms greater than six (6) months, and (ii) Debt Service Coverage shall have equaled or exceeded 1.00 as demonstrated by evidence satisfactory to Mortgagee.

Financial Statements. Mortgagor agrees to furnish to Mortgagee:

(A) the following financial statements for the Property within 90 days after the close of each fiscal year of Mortgagor, commencing at the end of the first year of operations and continuing for each fiscal year of Mortgagor thereafter, as applicable (the "Property Financial Statements Due Date"):

- (i) an audited balance sheet and statement of operations for such fiscal year with a detailed line item break-down of all sources of income and expenses, including capital expenses broken down between, leasing commissions, tenant improvements, capital maintenance, common area renovation, and expansion; and if the audited statement is not detailed, an unaudited statement with sufficient detail will also be required; and
- (ii) a current rent roll identifying location, leased area, lease begin and end dates, current contract rent, rent increases and increase dates, percentage rent, expense reimbursements, and any other recovery items; and
- (iii) an operating budget for the current fiscal year; and
- (iv) a sales report for such fiscal year identifying monthly and yearly sales by all tenants required under their leases to report sales; and

(B) the following financial statements that Mortgagee may, in Mortgagee's sole discretion, require from time to time within 120 days after the close of Principal's fiscal year (the "Requested Financial Statements Due Date"): An audited balance sheet for Principal as of the last day of Principal's most recently closed fiscal year.

(C) the following financial statements for all Major Tenants (at and after such time as the Major Leases are entered into by tenants at the Property) that Mortgagee may, in Mortgagee's sole discretion, require from time to time within 20 days after receipt of a written request from Mortgagee, to the extent the applicable lease obligates the Major

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Tenant to provide such financial statements and the Major Tenant complies with such obligation (the "Major Tenant Financial Statements Due Date"):

- (i) a balance sheet as of the last day of each Major Tenant's most recently closed fiscal year;
- (ii) a statement of cash flows as of the last day of each Major Tenant's most recently closed fiscal year; and
- (iii) A sales report as of the last day of each Major Tenant's most recently closed fiscal year, to the extent required in each Major Tenant's lease.

"Major Tenant" means any tenant occupying more than 15,000 SF of the street level retail space at the Property.

"Major Lease" means the lease agreement between Mortgagor, as landlord, and a Major Tenant.

Furthermore, Mortgagor shall furnish to Mortgagee within 20 days after receipt of a written request from Mortgagee such reasonable financial and management information in the possession of, or accessible to, Mortgagor which Mortgagee determines to be useful in Mortgagee's monitoring of the value and condition of the Property and Mortgagor.

The Property Financial Statements Due Date, the Requested Financial Statements Due Date, and the Major Tenant Financial Statements Due Date are each sometimes hereinafter referred to as a "Financial Statements Due Date".

Notwithstanding the foregoing, in no event shall a Financial Statements Due Date for a particular financial statement be prior to the 90th day following the close of the fiscal year covered by such financial statement.

The financial statement identified in sections (A)(i) and (B) shall each be prepared in accordance with generally accepted accounting principles by Ernst and Young LLP or such other accounting firm reasonably acceptable to Mortgagee. The expense of preparing all of the financial statements required in (A) and (B) above shall be borne by Mortgagor or Principal, as the case may be. The expense of preparing all of the financial statements required in (C) above shall be borne by Mortgagor or the applicable tenant.

Mortgagor acknowledges that Mortgagee requires the financial statements and information required herein to record accurately the value of the Property for financial and regulatory reporting.

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In addition to all other remedies available to Mortgagee hereunder, at law and in equity, if any financial statement, additional information or proof of payment of property taxes and assessments is not furnished to Mortgagee as required in this section entitled "**Financial Statements**" and in the section hereof entitled "**Taxes and Special Assessments**" (except, with respect to financial statements and other information required to be delivered pursuant to (C) above, to the extent such failure is caused by the applicable Major Tenant), within 30 days after Mortgagee shall have given written notice to Mortgagor that it has not been received as required,

(x) interest on the unpaid principal balance of the Indebtedness shall as of the applicable Financial Statements Due Date or the date such additional information or proof of payment of property taxes and assessments was due, accrue and become payable at a rate equal to the sum of the Interest Rate (as defined in the Note) plus one percent (1%) per annum (the "Increased Rate"); and

(y) Mortgagee may elect to obtain an independent appraisal and audit of the Property at Mortgagor's expense, and Mortgagor agrees that it will, upon request, promptly make Mortgagor's books and records regarding the Property available to Mortgagee and the person(s) performing the appraisal and audit (which obligation Mortgagor agrees can be specifically enforced by Mortgagee).

The amount of the payments due under the Note during the time in which the Increased Rate shall be in effect shall be changed to an amount which is sufficient to amortize the then unpaid principal balance at the Increased Rate during the then remaining portion of a period 30 years commencing with the Amortization Period Commencement Date (as defined in the Note). Interest shall continue to accrue and be due and payable monthly at the Increased Rate until the financial statements, additional information and/or proof of payment of property taxes and assessments (as requested by Mortgagee) that Mortgagor failed to furnish within the time periods described above shall be furnished to Mortgagee as required. Commencing on the date on which the financial statements, additional information and/or proof of payment of property taxes and assessments are received by Mortgagee, interest on the unpaid principal balance shall again accrue at the Interest Rate and the payments due during the remainder of the term of the Note shall be changed to an amount which is sufficient to amortize the then unpaid principal balance at the Interest Rate during the then remaining portion of a period of 30 years commencing with the Amortization Period Commencement Date. Notwithstanding the foregoing, Mortgagee shall have the right to conduct an independent audit at its own expense at any time.

Usury Law Compliance. The indebtedness constitutes a loan secured by a mortgage on real estate under Chapter 815, Act 205, Section 4(1)(1) of Illinois Compiled Statutes, 1993, as the same may subsequently be amended.

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Property Management. The management company for the Property shall be reasonably satisfactory to Mortgagee. Any change in the management company without the prior written consent of Mortgagee shall constitute a default under this instrument.

Construction Mortgage. This is a Construction Mortgage or a refinancing of a Construction Mortgage, as that term is defined in Section 9-313(1)(c) of Chapter 810, Act 5, Illinois Compiled Statutes 1993.

Deposits by Mortgagor. To assure the timely payment of real estate taxes and special assessments (including personal property taxes, if appropriate), following the occurrence and during the continuance of an Event of Default (other than an Event of Default under the "**Financial Statements**" provision herein), Mortgagee may require Mortgagor to deposit monthly payments in amounts satisfactory to Mortgagee for payment of such real estate taxes and special assessments. Such amounts shall be held by Mortgagee to be applied by Mortgagee to the payment of such real estate taxes and special assessments as the same become due and payable. If at any time the funds so held by Mortgagee shall be insufficient to pay any of said expenses, Mortgagor shall, upon receipt of notice thereof, immediately deposit such additional funds as may be necessary to remove the deficiency.

Interest on such deposits shall accrue to the benefit of Mortgagor. The average daily balance of the funds so held by Mortgagee during a month (the "Applicable Month") shall be credited with interest on the first day of the following month at a rate equal to the 30-Day United States Treasury Bill Yield. The "30-Day United States Treasury Bill Yield" means the "Ask Yield" on the first business day of the Applicable Month for United States Treasury bills maturing the closest to 30 days from the first day of the Applicable Month as reported in The Wall Street Journal or a similar yield as reasonably determined by Mortgagee.

Notices. Any notices, demands, requests and consents permitted or required hereunder or under any other Loan Document shall be in writing, may be delivered personally or sent by certified mail with postage prepaid or by reputable courier service with charges prepaid. Any notice or demand sent to Mortgagor by certified mail or reputable courier service shall be addressed to Mortgagor at:

Wells Street Flats LLC
 c/o Hines Interests Limited Partnership
 One South Dearborn
 1 South Dearborn, Suite 2000
 Chicago, Illinois 60603
 Attn: C. Kevin Shannahan and Greg Van Schaack
 Facsimile: (312) 346-4180

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and with a copy to: Hines Interests Limited Partnership
 2800 Post Oak Boulevard
 Suite 5010
 Houston, Texas 77056
 Attn: Jeffrey C. Hines
 Facsimile: (713) 966-2020

and with a copy to: Baker Botts L.L.P.
 2001 Ross Avenue
 Floor 6
 Dallas, Texas 75201-2980
 Attn: Patricia M. Stanton
 Facsimile: (214) 661-4704

or such other addresses in the United States of America as Mortgagor shall designate in a notice to Mortgagee given in the manner described herein. Any notice sent to Mortgagee by certified mail or reputable courier service shall be addressed to The Northwestern Mutual Life Insurance Company to the attention of the Real Estate Investment Department at 720 East Wisconsin Avenue, Milwaukee, WI 53202, or at such other addresses as Mortgagee shall designate in a notice given in the manner described herein. Any notice given to Mortgagee shall refer to the Loan No. set forth above. Any notice or demand hereunder shall be deemed given when received during normal business Monday through Friday, or if received outside normal business hours on a Monday through Friday, then on the next day which is a Monday through Friday. Any notice or demand the acceptance of delivery of which is refused or which is incapable of being delivered during normal business hours Monday through Friday at the address specified herein or such other address designated pursuant hereto shall be deemed received as of the date of attempted delivery.

Modification of Terms. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of the Indebtedness or for performance of any obligation contained herein and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of the Note, without notice or consent: (i) release any person liable for payment of all or any part of the Indebtedness or for performance of any obligation; (ii) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the Indebtedness, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof; (iii) exercise or refrain from exercising or waive any right Mortgagee may have; (iv) accept additional security of any kind; (v) release or otherwise deal with any property, real or personal, securing the Indebtedness, including all or any part of the Property.

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Exercise of Options. Whenever, by the terms of this instrument, of the Note or any of the other Loan Documents, Mortgagee is given any option, such option may be exercised when the right accrues or at any time thereafter, and no acceptance by Mortgagee of payment of Indebtedness in default shall constitute a waiver of any default then existing and continuing or thereafter occurring.

Nature and Succession of Agreements. Each of the provisions, covenants and agreements contained herein shall inure to the benefit of, and be binding on, the heirs, executors, administrators, successors, grantees, and assigns of the parties hereto, respectively, and the term "Mortgagee" shall include the owner and holder of the Note. The liability of Mortgagor hereunder shall be joint and several.

Legal Enforceability. No provision of this instrument, the Note or any other Loan Documents shall require the payment of interest or other obligation in excess of the maximum permitted by law. If any such excess payment is provided for in any Loan Documents or shall be adjudicated to be so provided, the provisions of this paragraph shall govern and Mortgagor shall not be obligated to pay the amount of such interest or other obligation to the extent that it is in excess of the amount permitted by law.

Limitation of Liability. Notwithstanding any provision contained herein to the contrary, the provisions of the Note limiting the liability of Mortgagor and the direct and indirect members, partners and other holders of interests in Mortgagor and limiting Mortgagee's recourse for the Indebtedness are incorporated herein by reference as if fully set forth below.

No Release or Modification. Mortgagor and Mortgagee acknowledge that Mortgagee owns membership interests in Mortgagor. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, in no event shall any provision of this instrument or any of the other Loan Documents be deemed a release, excuse, waiver or modification of any obligations of Northwestern Member under Mortgagor's Limited Liability Company Agreement.

Miscellaneous. Time is of the essence in each of the Loan Documents. The remedies of Mortgagee as provided herein or in any other Loan Document or at law or in equity shall be cumulative and concurrent, and may be pursued singly, successively, or together at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall occur; and neither the failure to exercise any such right or remedy nor any acceptance by Mortgagee of payment of Indebtedness in default shall in any event be construed as a waiver or release of any right or remedy. Neither this instrument nor any other Loan Document may be modified or terminated orally but only by agreement or discharge in writing and signed by Mortgagor and Mortgagee. If any of the provisions of any Loan Document or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of such Loan Document and each of the other Loan

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Documents, and the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of each of the Loan Documents shall be valid and enforceable to the fullest extent permitted by law. Without limitation of the foregoing, in the event that any provision in this Mortgage or in any of the Loan Documents shall be in conflict with any provision of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15 1101 et seq. ("IMFL"), the provisions of IMFL shall control, but shall not invalidate or render unenforceable any other provision of this Mortgage or such other Loan Documents that can be construed in a manner consistent with IMFL.

Waiver of Jury Trial. To the extent permitted by applicable law, Mortgagor and Mortgagee hereby waive any right to trial by jury with respect to any action or proceeding (a) brought by Mortgagor, Mortgagee or any other person relating to (i) the obligations secured hereby and/or any understandings or prior dealings between the parties hereto or (ii) the Loan Documents or the Environmental Indemnity Agreement, or (b) to which Mortgagee is a party.

Captions. The captions contained herein are for convenience and reference only and in no way define, limit or describe the scope or intent of, or in any way affect this instrument.

Governing Law. This instrument, the interpretation hereof and the rights, obligations, duties and liabilities hereunder shall be governed and controlled by the laws of the state of Illinois.

(Remainder of page intentionally left blank; signatures follow)

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

WELLS STREET FLATS LLC, a Delaware limited liability company

By: The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, a member

By: Northwestern Investment Management Company, LLC, a Delaware limited liability company, its wholly-owned affiliate and authorized representative



By: [Signature]

Name: Thomas D. Zale

Its: Managing Director

Attest: [Signature]

Name: Daniel C. Knuth

Its: Assistant Secretary

By: Wells Street Flats Holdings LLC, a Delaware limited liability company, its managing member

By: Hines WSF Associates Limited Partnership, a Texas limited partnership, its Managing Member

By: Hines WSF GP LLC, a Delaware limited liability company, its general partner

By: Hines Interests Limited Partnership, a Delaware limited partnership, its sole member

By: Hines Holdings, Inc., a Texas corporation, its general partner

By: _____

Name:

Title:

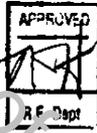
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IN WITNESS WHEREOF, this instrument has been executed by Mortgagor as of the day and year first above written.

WELLS STREET FLATS LLC, a Delaware limited liability company

By: The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, a member

By: Northwestern Investment Management Company, LLC, a Delaware limited liability company, its wholly-owned affiliate and authorized representative



By: [Signature]
Name: Thomas D. Zale
Its: Managing Director

Attest: [Signature]
Name: Daniel C. Knuth
Its: Assistant Secretary

By: Wells Street Flats Holdings LLC, a Delaware limited liability company, its managing member

By: Hines WSF Associates Limited Partnership, a Texas limited partnership, its Managing Member

By: Hines WSF GP LLC, a Delaware limited liability company, its general partner

By: Hines Interests Limited Partnership, a Delaware limited partnership, its sole member

By: Hines Holdings, Inc., a Texas corporation, its general partner

By: [Signature]
Name: G. KEVIN SHANNAHAN
Title: EXECUTIVE VICE PRESIDENT
See [Signature] now



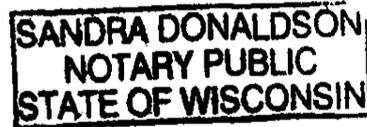
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STATE OF WISCONSIN)
)ss.
COUNTY OF MILWAUKEE)

The foregoing instrument was acknowledged before me this 14th day of March, 2011, by Thomas D. Zale and Daniel C. Knuth, the Managing Director and Assistant Secretary respectively, of Northwestern Investment Management Company, LLC, on behalf of The Northwestern Mutual Life Insurance Company, a Wisconsin corporation, as member of WELLS STREET FLATS LLC, a Delaware limited liability company, and acknowledged the execution of the foregoing instrument as the act and deed of said corporation.

My commission expires: October 6, 2013


Sandra Donaldson, Notary Public

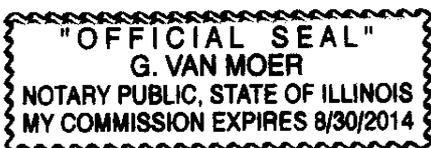


STATE OF ILLINOIS)
)ss.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 14th day of MARCH, 2011, by C. KEVIN SHANNAHAN and the President and Secretary respectively, of Hines Holdings, Inc., a Texas corporation, as general partner of Hines interests Limited Partnership, a Delaware limited partnership, sole member of Hines WSF GP LLC, a Delaware limited liability company, general partner of Hines WSF Associates Limited Partnership, a Texas limited partnership, managing member of Wells Street Flats Holdings, LLC, a Delaware limited liability company, managing member of WELLS STREET FLATS LLC, a Delaware limited liability company, and acknowledged the execution of the foregoing instrument as the act and deed of said corporation.

My commission expires: 8/30/2014


Notary Public



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Exhibit "A"

Description of Property:

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

PARCEL 1:

THE WEST 163.00 FEET OF LOT 59 IN BRONSON'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 22, 23, 24 AND 25 AND THE NORTH 13.00 FEET OF LOT 26 IN ABNER REEFE'S SUBDIVISION OF LOTS 44, 47, 48, 57 AND 58 IN BRONSON'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

PARCEL 3:

THE SOUTH 9.00 FEET OF LOT 26 AND ALL OF LOT 27 (EXCEPT SOUTH 3.00 FEET THEREOF) IN REEVES SUBDIVISION OF BLOCKS 44, 47, 48, 57 AND 58 OF BRONSON'S ADDITION TO CHICAGO IN THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOT 7 IN OWNERS RESUBDIVISION OF ORIGINAL LOTS 55 AND 56 AND PART OF ORIGINAL LOTS 46, 47, 48, 49, 50, 54 AND 57 OF BRONSON'S ADDITION TO CHICAGO IN THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

LOTS 4, 5 AND 6 IN OWNERS RESUBDIVISION OF ORIGINAL LOTS 55 AND 56 AND PART OF ORIGINAL LOTS 46, 47, 48, 49, 50, 54 AND 57 IN BRONSON'S ADDITION TO CHICAGO IN THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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PARCEL 6:

THE SOUTH 1/2 (EXCEPT THE EAST 102.00 FEET THEREOF AND EXCEPT A PUBLIC ALLEY) OF LOT 55 IN BRONSON'S ADDITION TO CHICAGO, SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO KNOWN AS LOT 3 IN OWNERS RESUBDIVISION OF ORIGINAL LOTS 55 AND 56 ALL IN COOK COUNTY, ILLINOIS.

PARCEL 7:

LOT 1 IN THE SUBDIVISION OF LOTS 53 AND 54 EXCEPT THE EAST 92.00 FEET OF SAID LOT 54 IN BRONSON'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

APN: 17-04-221-003-0000 Vol. 498 (Parcel 1)
17-04-221-041-0000 Vol. 498 (Parcel 2)
17-04-221-006-0000 Vol. 498 (Parcel 3)
17-04-221-007-0000 Vol. 498 (Parcel 4)
17-04-221-008-0000 Vol. 498 (Lot 6 of Parcel 5)
17-04-221-009-0000 Vol. 498 (Lots 4 and 5 of Parcel 5)
17-04-221-010-0000 Vol. 498 (Parcel 6)
17-04-221-011-0000 Vol. 498 (Parcel 7)

Street Address: 1233-51 North Wells Street, Chicago, Illinois 60610