

**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption

**Report Mortgage Fraud
800-532-8785**

The property identified as: **PIN: 09-36-416-036-0000**

Address:

Street: 6550 N. Northwest Hwy

Street line 2:

City: Chicago

State: IL

ZIP Code: 60631

Lender: Cadence Bank, N.A.

Borrower: LD Acquisition Company 8 LLC

Loan / Mortgage Amount: \$1,332,404.65

This property is located within the program area and is exempt from the requirements of 765 ILCS 7770 et seq. because it is commercial property.

Certificate number: 679C9F38-7A8D-4A58-900D-8BC62E15659E

Execution date: 07/01/2014

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PRN 09-36-0916-036

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

Address: 6550 N. Dearborn Hwy, Chicago, IL 60631

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

Maximum Principal Amt of Indebtedness \$1,332,404.65^{MC}

This Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (this "Security Instrument") is executed as of June 1, 2014, by LD ACQUISITION COMPANY 8 LLC, a Delaware limited liability company ("Borrower"), whose mailing address is 1700 E. Walnut Ave., Suite 400, El Segundo, CA 90245 and whose organizational number is 4977785, in favor of CADENCE BANK, N.A., a national association ("Lender", which term shall also refer to any subsequent holders of the Note, as hereinafter defined, or any part thereof or any interest therein or any of the "Indebtedness", as hereinafter defined), whose address is 2800 Post Oak Boulevard, Suite 3800, Houston, Harris County Texas 77056.

FOR GOOD AND VALUABLE CONSIDERATION, including the Indebtedness and the obligations and benefits herein created, the receipt of which is hereby acknowledged, and in order to secure the payment of the Indebtedness and the performance of the obligations, covenants, agreements and undertakings of Borrower hereinafter described, Borrower does hereby GRANT, BARGAIN, SELL, REVISE, MORTGAGE, CONVEY, TRANSFER, ASSIGN and SET OVER to Lender the easement estate created and the interests established under that certain Easement and Assignment of Lease Agreement situated in the County of Cook and State of Illinois (the "State") described in Exhibit A attached hereto and made a part hereof (the "Easement"), together with (i) the landlord's interest in the lease agreement assigned to Borrower pursuant to the Easement and described on Exhibit B attached hereto and made a part hereof (the "Lease"); (ii) all interests of Borrower in and to any streets, ways, alleys and/or strips of land adjoining said land or any part thereof; and (iii) all of Borrower's rights, estates, powers and privileges appurtenant or incident to the foregoing (the foregoing are collectively referred to herein as the "Collateral").

TO HAVE AND TO HOLD the foregoing property unto Lender and its successors and assigns, upon the terms, provisions and conditions herein set forth.

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518701 000005 10353566.1 T121843

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In order to secure the payment of the Indebtedness and the performance of the obligations, covenants, agreements and undertakings of Borrower hereinafter described, Borrower hereby grants to Lender a security interest in all goods, equipment, furnishings, fixtures, furniture, chattels and personal property of whatever nature owned by Borrower now or hereafter located or used in and about the building or buildings or other improvements now erected or hereafter to be erected on the lands described in Exhibit A attached hereto and made a part hereof, or otherwise located on said lands, and all fixtures, accessions and appurtenances thereto, and all renewals or replacements of or substitutions for any of the foregoing, all building materials and equipment now or hereafter delivered to said premises and intended to be installed therein, profits and proceeds from all or any part of the Property, all proceeds (including premium refunds) of each policy of insurance relating to the Property, all proceeds from the taking of the Property or any part thereof or any interest therein or right or estate appurtenant thereto by eminent domain or by purchase in lieu thereof, all amounts deposited in Borrower's operating accounts, all contracts related to the Property, all money, funds, accounts, instruments, documents, general intangibles (including trademarks, trade names and symbols owned by Borrower and used in connection therewith), all notes or chattel paper arising from or related to the Property, all permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Property, all plans, specifications, maps, surveys, reports, architectural, engineering and construction contracts, books of account, insurance policies and other documents, of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale or operation of the Property, all proceeds and other amounts paid or owing to Borrower under or pursuant to any and all contracts and bonds relating to the construction, erection or renovation of the Property (collectively, the "Additional Collateral") and all proceeds of the Additional Collateral. The Collateral and Additional Collateral are collectively called the "Property".

Borrower will warrant and forever defend the title to the Property against the claims of all persons whomsoever lawfully claiming or to claim the same or any part thereof, subject to the Permitted Liens.

ARTICLE I.

Indebtedness

1.1 Indebtedness. This Security Instrument is made to secure and enforce the payment of the following note, obligations, indebtedness and liabilities: (a) one certain promissory note dated February 16, 2012 in the principal amount of **TWENTY FIVE MILLION AND NO/100 DOLLARS (\$25,000,000)**, made by **LANDMARK DIVIDEND GROWTH FUND C – LLC**, a Delaware limited liability company ("Fund C") and Borrower, and payable to the order of Lender, including, without limitation, all principal, interest, fees and charges, attorneys' fees and legal expenses, and interest at the Default Rate (as such term is defined in the Credit Agreement), both principal and interest being payable as therein provided and being finally due and payable on or before June 30, 2017, together with all amendments, modifications and extensions thereof, and all other notes given in substitution therefor or in modification, increase, renewal or extension thereof, in whole or in part ("Note A"); (b) one certain promissory note dated ~~July~~ ^{July} 1, 2014 in the principal amount of **TEN MILLION EIGHT HUNDRED FORTY-THREE THOUSAND NINE HUNDRED NINETY-NINE AND**

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NO/100 DOLLARS (\$10,843,999), made by Fund C and Borrower, and payable to the order of Lender, a national association, including, without limitation, all principal, interest, fees and charges, attorneys' fees and legal expenses, and interest at the Default Rate (as such term is defined in the Credit Agreement), both principal and interest being payable as therein provided and being finally due and payable on or before December 31, 2019, together with all amendments, modifications and extensions thereof, and all other notes given in substitution therefor or in modification, increase, renewal or extension thereof, in whole or in part ("Note B" and collectively with Note A, the "Note"), such note and all amendments, modifications and extensions thereof and all other notes given in substitution therefor or in modification, increase, renewal or extension thereof, in whole or in part, being included in the defined term "Note" and (c) all loans and future advances made by Lender to Borrower under the Note or this Security Instrument and all other debts, obligations and liabilities of every kind and character of Borrower now or hereafter existing in favor of Lender under the Note (including all indebtedness incurred or arising pursuant to the provisions of this Security Instrument or any loan agreement relating to the above described indebtedness or any other instrument now or hereafter evidencing, governing or securing the above described indebtedness or any part thereof) whether such debts, obligations or liabilities be direct or indirect, primary or secondary, joint or several, fixed or contingent. The indebtedness referred to in this Section is herein called the "Indebtedness".

1.2 Credit Agreement. The Note, this Security Instrument and certain other documents were executed and delivered pursuant to the Credit Agreement of even date herewith (the "Credit Agreement") between Borrower, Fund C, and Lender. Terms used, but not defined, herein are defined in the Credit Agreement and shall have the meaning given such terms in the Credit Agreement. The representations, covenants, terms and provisions of the Credit Agreement are incorporated herein by reference as though fully set forth herein. All of the covenants in the Credit Agreement, together with the covenants set forth in this Security Instrument, shall constitute covenants running with Borrower's interest in the Property.

ARTICLE II.

Assignment of Leases and Rents

2.1 Assignment. In order to provide a source of future payment of the Indebtedness, Borrower does hereby absolutely and unconditionally assign, transfer and set over to Lender the following:

(a) all rights, title, interests, estates, powers, privileges, options and other benefits of Borrower in, to the Lease and under any other lease agreements which now or hereafter cover or affect all or any portion of the Property, together with all renewals, extensions, modifications, amendments, subleases and assignments of such lease agreements (the "Leases"); and

(b) all of the rents, income, receipts, revenues, issues, profits and other sums of money (the "Rent") that are now and/or at any time hereafter become due and payable to Borrower under the terms of the Leases or arising or issuing from or out of the Leases or from or out of the Property or any part thereof, including but not limited to minimum rents, additional rents, percentage rents, deficiency rents and liquidated damages

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following default, payments in consideration for cancellation of a Lease, security deposits (whether cash, one or more letters of credit, bonds or other form of security), advance rents, all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Property and all of Borrower's rights to recover monetary amounts from any lessee in bankruptcy including, without limitation, rights of recovery for use and occupancy and damage claims arising out of lease defaults, including rejections, disaffirmances, repudiations, and similar actions, under the Federal Bankruptcy Code and other statutes governing the rights of creditors, including specifically the immediate and continuing right to collect and receive each and all of the foregoing; and

(c) any and all guaranties of payment of the Rent.

2.2 Application of Rent. Until receipt from Lender of notice of the occurrence of an Event of Default (a "Notice of Default"), each lessee under the Leases may pay Rent directly to Borrower in accordance with the Credit Agreement and Borrower shall have the right to receive such Rent provided that Borrower shall hold such Rent as a trust fund to be applied as required by the Credit Agreement. Upon receipt from Lender of a Notice of Default, each lessee under the Leases is hereby authorized and directed to pay directly to Lender all Rent thereafter accruing and the receipt of Rent by Lender shall be a release of such lessee to the extent of all amounts so paid. The receipt by a lessee under the Leases of a Notice of Default shall be sufficient authorization for such lessee to make all future payments of Rent directly to Lender and each such lessee shall be entitled to rely on such Notice of Default and shall have no liability to Borrower for any Rent paid to Lender after receipt of such Notice of Default. Rent so received by Lender for any period prior to foreclosure under this Security Instrument or acceptance of a deed in lieu of such foreclosure shall be applied by Lender to the payment (in such order as set forth in the Credit Agreement) of: (a) (i) all reasonable expenses of managing the Property, including but not limited to the salaries, fees and wages of a managing agent and such other contractors and agents as Lender may deem necessary or desirable; (ii) all expenses of operating and maintaining the Property, including but not limited to all taxes, assessments, charges, claims, utility costs and premiums for insurance, and the cost of all alterations, renovations, repairs or replacements; and (iii) all reasonable expenses incident to taking and retaining possession of the Property and/or collecting the Rent due and payable under the Leases; and (b) the Note and other Indebtedness secured by this Security Instrument, principal, interest, reasonable attorneys' fees, legal expenses and collection fees and other amounts, in such order as set forth in the Credit Agreement. In no event will the assignment in this Article II reduce the Indebtedness except to the extent, if any, that Rent is actually received by Lender and applied upon or after said receipt to the Indebtedness in accordance with the immediately preceding sentence. Without impairing its rights hereunder, Rent received by Lender shall be distributed in accordance with the Credit Agreement. As between Borrower and Lender, and any person claiming through or under Borrower, other than any lessee under the Leases who has not received a Notice of Default pursuant to this Section, the assignment under this Article II is intended to be absolute, unconditional and presently effective and the provisions of this Section for notification of lessees under the Leases upon the occurrence of an Event of Default are intended solely for the benefit of each such lessee and shall never inure to the benefit of Borrower or any person claiming through or under Borrower, other than a lessee who has not

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received such notice. It shall never be necessary for Lender to institute legal proceedings of any kind whatsoever to enforce the provisions of this Section.

2.3 Collection of Rent. At any time during which Borrower is receiving Rent directly from lessees under the Leases, Borrower shall, upon receipt of written direction from Lender, make demand and/or sue for all Rent that is past due and unpaid under one or more Leases, as directed by Lender. In the event Borrower fails to take such action, or at any time during which Borrower is not receiving Rent directly from lessees under the Leases, Lender shall have the right (but shall be under no duty) to demand, collect and sue for, in its own name or in the name of Borrower, all Rent due and payable under the Leases, as it becomes due and payable, including Rent which is past due and unpaid.

2.4 No Merger of Estates. Notwithstanding (a) the fact that any Lease or the leasehold estate created thereby may be held, directly or indirectly, by or for the account of any person or entity which shall have an interest in the fee estate of the Property, (b) the operation of law or (c) any other event, lessee's leasehold estate under such Lease shall not merge into the fee estate and the lessee shall remain obligated under such lease as assigned by this Security Instrument.

2.5 No Third Party Beneficiary. It is expressly agreed by the parties hereto that the assignment under this Article II shall not be construed or deemed made for the benefit of any third party or parties.

2.6 Release and Termination. The assignment contained in this Article II shall terminate upon the release of this Security Instrument but no lessee under the Leases shall be required to take notice of such termination until a copy of a release of this Security Instrument shall have been delivered to such lessee.

ARTICLE III.

Event of Default

3.1 Defaults. Defaults. The term "Event of Default" as used in this Security Instrument shall mean the following:

(a) the failure of Borrower to make due and punctual payment of the Note or of any other Indebtedness or of any installment of principal thereof or interest thereon, or of any other amount required to be paid under the Note, this Security Instrument or any other instrument securing the payment of the Note, as the same shall become due and payable, whether at maturity or when accelerated pursuant to any power to accelerate contained in the Note or contained herein taking into account any applicable grace periods expressly provided therein; or

(b) the failure of Borrower timely and properly to observe, keep or perform any covenant, agreement, warranty or condition herein required to be observed, kept or performed (other than as described in any other subparagraph of this Section), if such failure continues for thirty (30) days after receipt by Borrower of written notice and demand for the performance of such covenant, agreement, warranty or condition; or

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(c) any representation contained herein or in the Credit Agreement or in any other document executed by Borrower or any guarantor of the Note to evidence or secure the Indebtedness (collectively, the "Loan Documents") or otherwise made by Borrower or any other person or entity to Lender in connection with the loan evidenced by the Note is false or misleading in any material respect; or

(d) any failure of Borrower to provide or maintain all insurance coverages required by the Credit Agreement, if any; or

(e) without the prior written consent of Lender, Borrower sells, exchanges, assigns, transfers, conveys or otherwise disposes of or is divested of title to all or any part of the Property or any interest therein, or legal or equitable title to the Property, or any part thereof or any interest therein, is vested in any other party in any manner whatsoever, by operation of law or otherwise in violation of the Credit Agreement; it being understood that the consent of Lender required by this Section may be withheld or refused by Lender in its sole discretion and without justification or may be predicated upon any terms, conditions and covenants deemed advisable or necessary in the sole discretion of Lender, including but not limited to the right to change the interest rate, date of maturity or payments of principal or interest on the Note, to require payment of any amount as additional consideration as a transfer fee or otherwise and to require assumption of the Note, this Security Instrument and any other Loan Documents; or

(f) without the prior written consent of Lender, Borrower creates, places or permits to be created or placed, or through any act or failure to act, acquiesces in the placing of, or allows to remain, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the Property which are not delinquent), security interest, encumbrance or charge, or conditional sale or other title retention document, against or covering the Property, or any part thereof, other than the Permitted Liens, regardless of whether the same are expressly or otherwise subordinate to the lien or security interest created in this Security Instrument or by any other Loan Document; it being understood that the consent of Lender required by this Section may be withheld or refused by Lender in its sole discretion and without justification or may be predicated upon any terms, conditions and covenants deemed advisable or necessary in the sole discretion of Lender, including but not limited to the right to change the interest rate, date of maturity or payments of principal or interest on the Note, to require payment of any amount as additional consideration as a fee or otherwise and to require a payment on the principal of the Note; or

(g) the Property is so demolished, destroyed or damaged that, in the judgment of Lender, it cannot be restored or rebuilt with available funds within a reasonable period of time; or

(h) so much of the Property is taken in condemnation, or sold in lieu of condemnation, or the Property is so diminished in value due to any injury or damages to the Property, that the remainder thereof cannot, in the commercially reasonable judgment

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of Lender, continue to be operated profitably for the purpose for which it was being used immediately prior to such taking, sale or diminution; or

(i) Borrower dissolves, liquidates, merges or consolidates or any interest in Borrower is sold, assigned, transferred, mortgaged, pledged, encumbered or otherwise disposed of, voluntarily or involuntarily, in violation of the Credit Agreement without the prior written consent of Lender; or

(j) a default or event of default occurs under the Credit Agreement or any other Loan Document (taking into account any applicable grace periods expressly provided therein); or

(k) any guarantor of any Indebtedness becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due; or

(l) any guarantor of any Indebtedness is generally not paying its debts as such debts become due; or

(m) a receiver, trustee or custodian is appointed for, or takes possession of, all or substantially all of the assets of any guarantor of any Indebtedness, either in a proceeding brought in a proceeding brought against such guarantor if such appointment is not discharged or such possession is not terminated within sixty (60) days after the effective date thereof or in a proceeding brought by such guarantor or if such guarantor consents to or acquiesces in such appointment or possession; or

(n) any guarantor of any Indebtedness files a petition for relief under the Federal Bankruptcy Code or any other present or future federal or state insolvency, bankruptcy or similar law (all of the foregoing hereinafter collectively called "Bankruptcy Laws") or an involuntary petition for relief is filed against any guarantor of any Indebtedness under any Bankruptcy Laws and such petition is not dismissed within sixty (60) days after the filing thereof, or an order for relief naming such guarantor is entered under any Bankruptcy Laws, or any composition, rearrangement, extension, reorganization or other relief of debtors now or hereafter existing is requested or consented to by any guarantor of any Indebtedness; or

(o) any guarantor of any Indebtedness fails to have discharged within a period of sixty (60) days any attachment, sequestration or similar writ levied upon any property of such guarantor; or

(p) any guarantor of any Indebtedness fails to pay within sixty (60) days any final money judgment against such guarantor; or

(q) any failure of any representation or warranty made in any guaranty of the payment of the Indebtedness or any part thereof to be true and correct in all respects or any failure to perform or other breach of any covenant in the guaranty.

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ARTICLE IV.

Remedies Upon Event of Default

4.1 Acceleration. During the continuance of an Event of Default, Lender shall have the option of declaring all Indebtedness in its entirety to be immediately due and payable, and the liens and security interests evidenced hereby shall be subject to foreclosure in any manner provided for herein or provided for by law as Lender may elect.

4.2 Possession. During the continuance of an Event of Default, Lender is authorized prior or subsequent to the institution of any foreclosure proceedings in accordance with applicable law and process to enter upon the Property, or any part thereof, and to take possession of the Property and of all books, records and accounts relating thereto and to exercise without interference from Borrower any and all rights which Borrower has with respect to the management, possession, operation, protection or preservation of the Property, including the right to rent the same for the account of Borrower and to deduct from such Rents all reasonable costs, expenses and liabilities of every character incurred by Lender in collecting such Rents and in managing, operating, maintaining, protecting or preserving the Property and to apply the remainder of such Rents on the Indebtedness in accordance with the Credit Agreement. All such reasonable costs, expenses and liabilities incurred by Lender in collecting such Rents and in managing, operating, maintaining, protecting or preserving the Property, if not paid out of Rents as hereinabove provided, shall constitute a demand obligation owing by Borrower and shall bear interest from the date of expenditure until paid at the Default Rate, all of which shall constitute a portion of the Indebtedness. If necessary to obtain the possession provided for above, Lender may invoke any and all legal remedies to dispossess Borrower, including specifically one or more actions for forcible entry and detainer, trespass to try title and restitution.

4.3 Release and Indemnification. **TO THE EXTENT PERMITTED BY APPLICABLE LAW IN CONNECTION WITH ANY ACTION TAKEN BY LENDER PURSUANT TO SECTION 4.2 OR ARTICLE II, LENDER SHALL NOT BE LIABLE FOR ANY LOSS SUSTAINED BY BORROWER RESULTING FROM ANY FAILURE TO LET THE PROPERTY, OR ANY PART THEREOF, OR FROM ANY OTHER ACT OR OMISSION OF LENDER IN MANAGING THE PROPERTY (REGARDLESS OF WHETHER SUCH LOSS IS CAUSED BY THE NEGLIGENCE OF LENDER) UNLESS SUCH LOSS IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LENDER, NOR SHALL LENDER BE OBLIGATED TO PERFORM OR DISCHARGE ANY OBLIGATION, DUTY OR LIABILITY UNDER ANY LEASE COVERING THE PROPERTY OR ANY PART THEREOF OR UNDER OR BY REASON OF THIS SECURITY INSTRUMENT OR THE EXERCISE OF RIGHTS OR REMEDIES HEREUNDER. BORROWER SHALL AND DOES HEREBY AGREE TO INDEMNIFY LENDER FOR, AND TO DEFEND AND HOLD LENDER HARMLESS FROM, ANY AND ALL LIABILITY, LOSS OR DAMAGE WHICH MAY OR MIGHT BE INCURRED BY LENDER UNDER ANY SUCH LEASE OR UNDER OR BY REASON OF THIS SECURITY INSTRUMENT OR ANY OTHER LOAN DOCUMENT OR THE EXERCISE OF RIGHTS OR REMEDIES HEREUNDER AND FROM ANY AND ALL CLAIMS AND DEMANDS WHATSOEVER WHICH MAY BE ASSERTED AGAINST LENDER BY REASON OF ANY ALLEGED OBLIGATIONS OR**

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UNDERTAKINGS ON ITS PART TO PERFORM OR DISCHARGE ANY OF THE TERMS, COVENANTS OR AGREEMENTS CONTAINED IN ANY SUCH LEASE, REGARDLESS OF WHETHER SUCH LIABILITY, LOSS, DAMAGE, CLAIMS OR DEMANDS ARE THE RESULT OF THE NEGLIGENCE OR CLAIMS OF NEGLIGENCE OF LENDER OR ANY STRICT LIABILITY. Should Lender incur any such liability, the amount thereof, including reasonable costs, expenses and attorneys' fees and legal expenses, shall be secured hereby and Borrower shall reimburse Lender therefor immediately upon demand. Nothing in Section 4.2 or Article II shall impose any duty, obligation or responsibility upon Lender for the control, care, operation, management or repair of the Property, nor for the carrying out of any of the terms and conditions of any such lease; nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the tenants or by any other parties or for any dangerous or defective condition of the Property, or for any negligence in the operation, management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger or any strict liability. Borrower hereby assents to, ratifies and confirms any and all actions of Lender with respect to the Property taken under this Section. For purposes of this Section, the term "Lender" shall include the directors, officers, employees, attorneys and agents of Lender and any persons or entities owned or controlled by, owning or controlling, or under common control or affiliated with Lender. The foregoing releases and indemnities shall not terminate upon release or other termination of this Security Instrument.

4.4 Foreclosure. Reference is made to Article VII hereof for provisions regarding foreclosure of this Security Instrument.

4.5 Receiver. In addition to all other remedies herein provided for, Borrower agrees that during the continuance of an Event of Default, Lender as a matter of right and without (a) notice to the Borrower or any other party, (b) a showing of insolvency of the Borrower, (c) a showing of fraud or mismanagement with respect to the Loan or the Property, (d) regard to the sufficiency of the security for the repayment of the Indebtedness, or (e) the necessity of filing any proceeding other than a proceeding for appointment of a receiver, shall be entitled to the appointment of a receiver or receivers for the Property or any part thereof (including without limitation the Rents of the Property). Borrower, for itself and any subsequent owner or owners, irrevocably consents to such appointment and waives any and all defenses to such application for a receiver. This section will not deprive Lender of any other right, remedy or privilege it may have under applicable law to have a receiver appointed for the Property. Additionally, during the pendency of a receivership for all or a portion of the Property, Borrower consents to any proceeding commenced by Lender which seeks to enforce another right or remedy of Lender under the Loan Documents or applicable law, including without limitation, the commencement of a foreclosure of the Property. Any money advanced by Lender in connection with any such receivership will constitute a demand obligation owing by Borrower and shall bear interest from the date of expenditure until paid at the Default Rate, all of which shall constitute a portion of the Indebtedness. This section is made an express condition upon which the Loan is made.

4.6 Proceeds of Sale . The proceeds of any foreclosure sale of the liens evidenced hereby shall be applied:

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FIRST, to the payment of all necessary and reasonable costs and expenses incident to such foreclosure sale, including but not limited to all court costs and charges of every character in the event foreclosed by suit;

SECOND, to the payment in full of the Indebtedness (including specifically without limitation the principal, interest and reasonable attorneys' fees and legal expenses due and unpaid on the Note and the amounts due and unpaid and owed to Lender under this Security Instrument or any other Loan Document) in such order as set forth in the Credit Agreement; and

THIRD, the remainder, if any, shall be paid to Borrower or to such other party or parties as may be entitled thereto by law.

4.7 Lender as Purchaser. Lender shall have the right to become the purchaser at any foreclosure sale, and Lender shall have the right to credit upon the amount of the bid made therefor, to the extent necessary to satisfy such bid, the Indebtedness owing to Lender, or if Lender holds less than all of the Indebtedness the pro rata part thereof owing to Lender, accounting to all other lenders not joining in such bid in cash for the portion of such bid or bids apportionable to such nonbidding lender or lenders.

4.8 Uniform Commercial Code. During the continuance of an Event of Default, Lender may exercise its rights of enforcement with respect to the Additional Collateral under the Uniform Commercial Code as enacted in the State and as the same may be amended from time to time, and in conjunction with, in addition to or in substitution for those rights and remedies and to the fullest extent as provided by applicable law:

(a) Lender may enter upon the Property to take possession of, assemble and collect the Additional Collateral or to render it unusable;

(b) Lender may require Borrower to assemble the Additional Collateral and make it available at a place Lender designates which is mutually convenient to allow Lender to take possession or dispose of the Additional Collateral;

(c) written notice mailed to Borrower as provided herein ten (10) days prior to the date of public sale of the Additional Collateral or prior to the date after which private sale of the Additional Collateral will be made shall constitute reasonable notice;

(d) any sale made pursuant to the provisions of this Section shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the sale of the Easement pursuant to applicable law as provided herein upon giving the same notice with respect to the sale of the Additional Collateral hereunder as is required for such sale of the Easement under power of sale;

(e) in the event of a foreclosure sale, the Additional Collateral and the Easement may, at the option of Lender, be sold as a whole;

(f) it shall not be necessary that Lender take possession of the Additional Collateral or any part thereof prior to the time that any sale pursuant to the provisions of

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this Section is conducted and it shall not be necessary that the Additional Collateral or any part thereof be present at the location of such sale;

(g) prior to application of proceeds of disposition of the Additional Collateral to the Indebtedness, such proceeds shall be applied to the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorneys' fees and legal expenses incurred by Lender;

(h) any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of the Indebtedness or as to the occurrence of any Event of Default, or as to Lender having declared all of the Indebtedness to be due and payable, or as to notice of time, place and terms of sale and of the properties to be sold having been duly given, or as to any other act or thing having been duly done by Lender, shall be taken as prima facie evidence of the truth of the facts so stated and recited; and

(i) Lender may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Lender, including the sending of notices and the conduct of the sale, but in the name and on behalf of Lender.

4.9 Partial Foreclosure. During the continuance of an Event of Default in the payment of any part of the Indebtedness, Lender shall have the right to proceed with foreclosure of the liens and security interests evidenced hereby without declaring the entire Indebtedness due, and in such event any such foreclosure sale may be made subject to the unmatured part of the Indebtedness; and any such sale shall not in any manner affect the unmatured part of the Indebtedness, but as to such unmatured part this Security Instrument shall remain in full force and effect just as though no sale had been made. The proceeds of any such sale shall be applied as provided in Section 4.6 hereof except that the amount paid under Subsection SECOND thereof shall be only the matured portion of the Indebtedness and any proceeds of such sale in excess of those provided for in Subsections FIRST and SECOND (modified as provided above) shall be applied to installments of principal of and interest on the Note in the inverse order of maturity. Several sales may be made hereunder without exhausting the right of sale for any unmatured part of the Indebtedness.

4.10 Remedies Cumulative. All remedies herein expressly provided for are cumulative of any and all other remedies existing at law or in equity and are cumulative of any and all other remedies provided for in any other instrument securing the payment of the Indebtedness, or any part thereof, or otherwise benefiting Lender, and Lender shall, in addition to the remedies herein provided, be entitled to avail itself of all such other remedies as may now or hereafter exist at law or in equity for the collection of the Indebtedness and the enforcement of the covenants herein and the foreclosure of the liens and security interests evidenced hereby, and the resort to any remedy provided for hereunder or under any such other instrument or provided for by law shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

4.11 Resort to Any Security. Lender may resort to any security given by this Security Instrument or to any other security now existing or hereafter given to secure the payment of the

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Indebtedness, in whole or in part, and in such portions and in such order as may seem best to Lender in its sole and uncontrolled discretion, and any such action shall not in anywise be considered as a waiver of any of the rights, benefits, liens or security interests evidenced by this Security Instrument.

4.12 Waiver. To the full extent Borrower may do so, Borrower agrees that Borrower will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force pertaining to the rights and remedies of sureties or redemption, and Borrower, for Borrower and Borrower's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Property, to the extent permitted by law, hereby waives and releases all rights of valuation, appraisal, stay of execution, notice of intention to mature or declare due the whole of the Indebtedness, notice of election to mature or declare due the whole of the Indebtedness and all rights to a marshaling of the assets of Borrower, including the Property, or to a sale in inverse order of alienation in the event of foreclosure of the liens and security interests hereby created. Borrower shall not have or assert any right under any statute or rule of law pertaining to the marshaling of assets, sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents or other matters whatever to defeat, reduce or affect the right of Lender under the terms of this Security Instrument to a sale of the Property for the collection of the Indebtedness without any prior or different resort for collection, or the right of Lender under the terms of this Security Instrument to the payment of the Indebtedness out of the proceeds of sale of the Property in preference to every other claimant whatever. If any law referred to in this Section and now in force, of which Borrower or Borrower's heirs, devisees, representatives, successors and assigns and such other persons claiming any interest in the Property might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section.

4.13 Delivery of Possession After Foreclosure. In the event there is a foreclosure sale hereunder in accordance with applicable law and at the time of such sale Borrower or Borrower's heirs, devisees, representatives, successors or assigns or any other persons claiming any interest in the Property by, through or under Borrower are occupying or using the Property, or any part thereof, each and all shall immediately become the tenant of the purchaser at such sale. Subject to the terms of any applicable non-disturbance and/or attornment agreement between Lender and any tenant(s) of the Property, such tenancy shall be a tenancy from day-to-day, terminable at the will of either landlord or tenant, at a reasonable rental per day based upon the value of the portion of the Property occupied, such rental to be due daily to the purchaser. In the event the tenant fails to surrender possession of the portion of the Property upon demand, the purchaser shall be entitled to institute and maintain an action for forcible entry and detainer of the Property in the court of competent jurisdiction where the Property, or any part thereof, is situated.

4.14 Tender After Acceleration. If, following the occurrence of an Event of Default and the acceleration of the Indebtedness but prior to the foreclosure of this Security Instrument against the Property, Borrower shall tender to Lender payment of an amount sufficient to pay the entire Indebtedness, such tender shall be deemed to be a voluntary prepayment under the Note.

4.15 Collection Expenses. Upon the occurrence of an Event of Default, Borrower shall reimburse Lender for all reasonable expenses incurred by Lender as a result of such Event of

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Default, including, but not limited to, all travel costs, third-party appraisal fees, environmental report preparation and testing fees, architectural and engineering expenses, and attorneys' fees and legal expenses.

ARTICLE V.

Representations, Warranties and Covenants.

5.1 Title. Borrower shall warrant and forever defend the title to the Property against the claims of all persons whomsoever claiming or to claim the same or any part thereof, subject only to the Permitted Liens. Borrower shall comply with and will perform all of the obligations imposed upon it or the Property in the Permitted Liens. Borrower shall not modify or permit any modification of any Permitted Lien without the prior written consent of Lender.

5.2 Representations. Borrower makes the following representations to Lender to induce Lender to make the loan evidenced by the Note:

(a) Compliance with Covenants and Laws. To the Borrower's knowledge, the Property and the intended use thereof by Borrower comply with all applicable restrictive covenants, zoning ordinances, building codes, flood disaster laws, safety laws, laws relating to disabled persons, health and environmental laws and regulations and all other laws, statutes, ordinances, rules, regulations, orders, determinations and court decisions (all of the foregoing are hereinafter sometimes collectively called "Applicable Laws").

(b) Environmental. To the Borrower's knowledge, no asbestos, material containing asbestos which is or may become friable or material containing asbestos deemed hazardous by Applicable Laws has been installed in the Property and the Property and Borrower are not in violation of or subject to any existing, pending or, to the best knowledge of Borrower, threatened investigation or inquiry by any governmental authority or to any remedial obligations under any Applicable Laws pertaining to health or the environment (such Applicable Laws as they now exist or are hereafter enacted or amended are hereinafter sometimes collectively called "Applicable Environmental Laws"), and this representation would continue to be true and correct following disclosure to the applicable governmental authorities of all relevant facts, conditions and circumstances, if any, pertaining to the Property and Borrower. Borrower has not obtained and is not required to obtain any permits, licenses or similar authorizations to construct, occupy, operate or use any buildings, improvements, fixtures and equipment forming a part of the Property by reason of any Applicable Environmental Laws.

(c) Condition of Property. To the Borrower's knowledge, the Property is served by adequate access and utilities required for the use thereof at or within the boundary lines of the Property. The Property is in good condition and repair with no deferred maintenance and is free from damage caused by fire or other casualty. Borrower is aware of no latent or patent structural or other significant defect or deficiency in the Property. None of the improvements on the Property create an encroachment over, across or upon any of the Property boundary lines, rights of way or easements, and no buildings or other improvements on adjoining land create such an encroachment.

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5.3 Covenants and Agreements. So long as the Indebtedness or any part thereof remains unpaid, Borrower covenants and agrees with Lender as follows:

(a) Operation of Property. To the extent the Borrower is required pursuant to the applicable Lease, Borrower shall cause the Property to be operated and kept in a safe, good and workmanlike manner and in accordance with all Applicable Laws and shall cause to be paid all fees or charges of any kind in connection therewith. Borrower shall not initiate or consent to any zoning reclassification of the Property or seek any variance under existing zoning ordinances applicable to the Property or use or permit the use of the Property in such a manner which would result in such use becoming a nonconforming use under applicable zoning ordinances or other Applicable Laws. If Borrower receives a notice or claim that the Property is not in compliance with any Applicable Law, Borrower shall promptly furnish a copy of such notice or claim to Lender.

(b) Taxes. Borrower shall cause to be paid prior to delinquency all taxes and assessments heretofore or hereafter levied or assessed (i) against the Property or any part thereof or (ii) against the Lender for or on account of the Note or the other Indebtedness or the interest created by this Security Instrument except for such taxes as Borrower is contesting in accordance with the Credit Agreement. Borrower shall furnish Lender with evidence of each payment of such taxes and assessments at prior to the date such payment may become past due.

(c) Repair and Maintenance. To the extent the Borrower is required pursuant to the applicable Lease, Borrower shall cause the Property to be kept in good order and repair, causing all necessary repairs and replacements to be promptly made, and will not allow any of the Property to be misused, abused or wasted or to deteriorate. Borrower shall, without the prior written consent of Lender, make any structural alteration to the Property or any other significant alterations that could reduce the value of the Property.

(d) Insurance and Casualty. Borrower shall keep the Property insured against loss or damage by fire, tornado and such other hazards as are from time to time required by the Credit Agreement, if any.

(e) Condemnation. Immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Property or any portion thereof, or any other proceedings arising out of injury or damage to the Property, or any portion thereof, Borrower shall notify Lender of the pendency of such proceedings. All proceeds of condemnation awards or proceeds of sale in lieu of condemnation with respect to the Property and all judgments, decrees and awards for injury or damage to the Property shall be paid to Lender and shall be applied, first, to reimburse Lender for all reasonable costs and expenses, including attorneys' fees, incurred in connection with collection of such proceeds and, second, the remainder of the proceeds shall be applied, to the payment of the Indebtedness (without premium or penalty) in the order set forth in the Credit Agreement. In any event the unpaid portion of the Indebtedness shall remain in full force and effect and Borrower shall not be excused in the payment thereof. Borrower hereby assigns and transfers all such proceeds, judgments, decrees and awards to Lender for application as provided herein.

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(f) **Indemnification.** Borrower shall indemnify and hold harmless Lender from and against, and reimburse them for, all claims, demands, liabilities, losses, damages, causes of action, judgments, penalties, reasonable costs and expenses (including, without limitation, attorneys' fees) which may be imposed upon, asserted against or incurred or paid by them by reason of, on account of or in connection with (i) any bodily injury or death or property damage occurring in or upon the Property through any cause whatsoever, (ii) any breach of this Security Instrument by Borrower hereunder, or (iii) any violation by Borrower or the Property of Applicable Laws, including Applicable Laws pertaining to health or the environment. This indemnity will survive any foreclosure or termination of this Security Instrument. **WITHOUT LIMITATION, THE FOREGOING INDEMNITIES SHALL APPLY TO EACH INDEMNIFIED PARTY WITH RESPECT TO CLAIMS, DEMANDS, LIABILITIES, LOSSES, DAMAGES, CAUSES OF ACTION, JUDGMENTS, PENALTIES, COSTS AND EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES) WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENCE OF SUCH (OR ANY OTHER) INDEMNIFIED PARTY.**

(g) **Default under Lease or Easement.** Borrower shall promptly notify Lender of the giving of any notice by the tenant under the Lease or the fee owner of the property covered by the Easement to Borrower of any default in the performance or observance of any of the terms, covenants, or conditions of the Easement or Lease on the part of Borrower, and immediately deliver to Lender a true copy of each such notice. If Borrower shall default in the performance or observance of any term, covenant, or condition of the Lease or Easement then, without limiting the generality of the other provisions of this Security Instrument, and without waiving or releasing Borrower from any of its obligations hereunder, Lender shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the terms, covenants, and conditions of the Lease, or Easement as applicable, on the part of Borrower, to be performed or observed or to be promptly performed or observed on behalf of Borrower, to the end that the rights of Borrower in, to, and under the Lease and Easement shall be kept unimpaired and free from default, even if the existence of such event of default or its nature is questioned or denied by Borrower or by any party on behalf of Borrower. If Lender shall make any payment or perform any act or take any action in accordance with the preceding sentence then the payment, performance, or action shall not remove or waive, as between Borrower and Lender, the corresponding default under the terms of this Security Instrument. In any such event, subject to the rights of tenants, subtenants, and other occupants under the Lease, Lender and any person designated by Lender shall have, and are hereby granted, the right to enter upon the Property at any time and from time to time for the purpose of taking any such action. Lender may pay and expend such sums of money as Lender deems necessary for any such purpose and upon so doing shall be subrogated to any rights of Borrower under the Lease or Easement. Borrower hereby agree to pay to Lender immediately and without demand, all those sums so paid and expended by Lender, together with interest thereon from the day of that payment at the Default Rate. All sums so paid and expended by Lender and the interest on those sums shall be secured by this Security Instrument.

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(h) Termination. Except as provided in the Credit Agreement, Borrower shall not, without the prior consent of Lender, surrender the leasehold estate created by the Lease or the easement estate created by the Easement; or terminate or cancel the Lease or Easement, or modify, change, supplement, alter or amend the Lease or Easement, in any respect, either orally or in writing.

5.4 Right of Lender to Perform. Borrower agrees that, if Borrower fails to perform any act or to take any action which hereunder Borrower is required to perform or take, or to pay any money which hereunder Borrower is required to pay, or takes any action prohibited hereby, Lender may, but shall not be obligated to, perform or cause to be performed such act or take such action or pay such money or remedy any action so taken, and any expenses so incurred by Lender, and any money paid by Lender in connection therewith, shall be a demand obligation owing by Borrower to Lender and Lender, upon making such payment, shall be subrogated to all of the rights of the person, corporation or body politic receiving such payment. Any amounts due and owing by Borrower to Lender pursuant to this Security Instrument shall bear interest from the date such amount becomes due until paid at the rate of interest payable on matured but unpaid principal of or interest on the Note and shall be a part of the Indebtedness and shall be secured by this Security Instrument and by any other instrument securing the Indebtedness.

ARTICLE VI. Miscellaneous

6.1 Defeasance. If all of the Indebtedness is paid in full and payable and if all of the covenants, warranties, undertakings and agreements made in this Security Instrument are kept and performed, then and in that event only, all rights under this Security Instrument shall terminate and the Property shall become wholly clear of the liens, security interests, conveyances and assignments evidenced hereby, which shall be released by Lender in a form reasonably acceptable to the Borrower at Borrower's cost.

6.2 No Homestead or Agricultural Use. No portion of the Property is being used as Borrower's business or residential homestead. No portion of the Property is being used for agricultural purposes.

6.3 Protection and Defense of Lien. If the validity or priority of this Security Instrument or of any rights, titles, liens or security interests created or evidenced by any Loan Document with respect to the Property or any part thereof shall be endangered or questioned or shall be attacked directly or indirectly or if any legal proceedings are instituted against Borrower with respect thereto, Borrower will give prompt written notice thereof to Lender and at Borrower's own cost and expense will diligently endeavor to cure any defect that may be developed or claimed, and will take all necessary and proper steps for the defense of such legal proceedings, including but not limited to the employment of counsel, the prosecution or defense of litigation and the release or discharge of all adverse claims, and Lender (whether or not named as a party to legal proceedings with respect thereto) is hereby authorized and empowered to take such additional steps as in its judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of the Loan Documents and the rights, titles, liens and security interests created or evidenced thereby, including but not

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limited to the employment of counsel, the prosecution or defense of litigation, the compromise or discharge of any adverse claims made with respect to the Property, the purchase of any tax title and the removal of prior liens or security interests (including but not limited to the payment of debts as they mature or the payment in full of matured or nonmatured debts, which are secured by these prior liens or security interests), and all expenses so incurred of every kind and character shall be a demand obligation owing by Borrower and the party incurring such expenses shall be subrogated to all rights of the person receiving such payment.

6.4 Notification of Account Debtors. Lender may at any time after an Event of Default by Borrower notify the account debtors or obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness included in the Additional Collateral to pay Lender directly.

6.5 Authorization to File Financing Statement. Pursuant to the grant of the Security Interest hereinabove, Borrower hereby irrevocably authorizes Lender at any time and from time to time to file, without the signature of Borrower, in any jurisdiction any amendments to existing financing statements and any initial financing statements and amendments thereto that (a) indicate the Property (i) as "all assets of Borrower and all proceeds thereof, and all rights and privileges with respect thereto" or words of similar effect, regardless of whether any particular asset comprised in the Property falls within the scope of Article/Chapter 9 of the Uniform Commercial Code, or (ii) as being of an equal or lesser scope or with greater detail; (b) contain any other information required by subchapter F of Article/Chapter 9 of the Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Borrower is an organization, the type of organization and any organization identification number issued to Borrower; and (c) are necessary to properly effectuate the transactions including the grant of security interest described in the Loan Documents, as determined by Lender in its discretion. Borrower agrees to furnish any such information to Lender promptly upon request. Borrower further agrees that a carbon, photographic or other reproduction of this Security Instrument or any financing statement describing any Property is sufficient as a financing statement and may be filed in any jurisdiction by Lender.

6.6 Fixture Filing. This Security Instrument shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Property and is to be filed for record in the real estate records in the Office of the County Recorder where the Property (including said fixtures) is situated. This Security Instrument shall also be effective as a financing statement covering as-extracted collateral and is to be filed for record in the real estate records of the county where the Property is situated. The mailing address of Borrower and the address of Lender from which information concerning the security interest may be obtained are the addresses of Borrower and Lender set forth on the first page of this Security Instrument.

6.7 Filing and Recordation. Borrower will cause this Security Instrument and all amendments and supplements hereto and substitutions for this Security Instrument and all financing statements and continuation statements relating hereto to be recorded, filed, re-recorded and refiled in such manner and in such places as Lender shall reasonably request, and will pay all such recording, filing, re-recording and re-filing taxes, fees and other charges.

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6.8 Dealing with Successor. In the event the ownership of the Property or any part thereof becomes vested in a person other than Borrower, Lender may, without notice to Borrower, deal with such successor or successors in interest with reference to this Security Instrument and to the Indebtedness in the same manner as with Borrower, without in any way vitiating or discharging Borrower's liability hereunder or for the payment of the Indebtedness. No sale of the Property, no forbearance on the part of Lender and no extension of the time for the payment of the Indebtedness given by Lender shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Borrower hereunder or for the payment of the Indebtedness or the liability of any other person hereunder or for the payment of the Indebtedness, except as agreed to in writing by Lender.

6.9 Place of Payment. The Indebtedness which may be owing hereunder at any time by Borrower shall be payable at the place designated in the Note, or if no such designation is made, at the office of Lender at the address indicated in this Security Instrument, or at such other place in Harris County, Texas as Lender may designate in writing.

6.10 Subrogation. To the extent that proceeds of the Note are used to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Property, such proceeds have been advanced by Lender at Borrower's request and Lender shall be subrogated to any and all rights, security interests and liens owned or held by any owner or holder of such outstanding liens, security interests, charges or encumbrances, irrespective of whether said liens, security interests, charges or encumbrances are released; provided, however that the terms and provisions of this Security Instrument shall govern the rights and remedies of Lender and shall supersede the terms, provisions, rights and remedies under and pursuant to the instruments creating the lien or liens to which Lender is subrogated hereunder.

6.11 Application of Indebtedness. If any part of the Indebtedness cannot be lawfully secured by this Security Instrument or if any part of the Property cannot be lawfully subject to the lien and security interest hereof to the full extent of such Indebtedness or if the lien and security interest of the Indebtedness of this Security Instrument are invalid or unenforceable as to any part of the Indebtedness or as to any part of the Property, then all payments made on the Indebtedness, whether voluntary or under foreclosure or other enforcement action or procedure, shall be applied on said Indebtedness first in discharge of that portion thereof which is unsecured in whole or in part by this Security Instrument.

6.12 Acquisition of Fee Estate. If Borrower, so long as any portion of the Note remains unpaid, shall become the owner and holder of the fee title to the property covered by the Easement, the lien of this Security Instrument shall be spread to cover Borrower's fee title, and the fee title shall be deemed to be included in the Property. Borrower agrees, at its sole cost and expense, including without limitation Lender's reasonable attorneys' fees, to (i) execute any and all documents or instruments necessary to subject its fee title to the lien of this Security Instrument; and (ii) provide a title insurance policy which shall insure that the lien of this Security Instrument is a first lien on Borrower's fee title.

6.13 Notice. Any notice or communication required or permitted hereunder shall be given in accordance with the provisions of the Credit Agreement.

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6.14 Successors, Substitutes and Assigns. The terms, provisions, covenants and conditions hereof shall be binding upon Borrower, and the successors and assigns of Borrower including all successors in interest of Borrower in and to all or any part of the Property, and shall inure to the benefit of Lender and its successors, substitutes and assigns and shall constitute covenants running with the land. All references in this Security Instrument to Borrower or Lender shall be deemed to include all such successors, substitutes and assigns.

6.15 Severability. A determination that any provision of this Security Instrument is unenforceable or invalid shall not affect the enforceability or validity of any other provision and any determination that the application of any provision of this Security Instrument to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

6.16 Gender and Number. Within this Security Instrument, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, and words in the plural number shall be held and construed to include the singular, unless in each instance the context otherwise requires.

6.17 Counterparts. This Security Instrument may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

6.18 Joint and Several. If Borrower is comprised of more than one entity, the term "Borrower" as used in this Security Instrument means all or either or any of such entities and the obligations of Borrower hereunder shall be joint and several.

6.19 Headings. The Section headings contained in this Security Instrument are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several Sections hereof.

6.20 Entire Agreement. The Loan Documents constitute the entire understanding and agreement between Borrower and Lender with respect to the transactions arising in connection with the Indebtedness and supersede all prior written or oral understandings and agreements between Borrower and Lender with respect thereto. Borrower hereby acknowledges that, except as incorporated in writing in the Loan Documents, there are not, and were not, and no persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Loan Documents.

6.21 Waiver of Marshaling and Certain Rights. To the extent that Borrower may lawfully do so, Borrower hereby expressly waives any right pertaining to the marshaling of assets, the administration of estates of decedents, or other matters to defeat, reduce or affect (a) the right of Lender to sell all or any part of the Property for the collection of the Indebtedness (without any prior or different resort for collection), or (b) the right of Lender to the payment of the Indebtedness out of the proceeds of the sale of all or any part of the Property in preference to every other person and claimant.

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6.22 Waivers. It is expressly agreed that (i) no waiver of any default on the part of Borrower or breach of any of the provisions of this Security Instrument shall be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing the rights and powers herein granted shall be construed as a waiver of such rights and powers, and likewise no exercise or enforcement of any rights or powers hereunder shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time; (ii) any failure by Lender to insist upon the strict performance by Borrower of any of the terms and provisions herein shall not be deemed to be a waiver of any of the terms and provisions herein, and Lender, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Borrower of any and all of the terms and provisions of this Security Instrument; (iii) neither Borrower nor any other person now or hereafter obligated for the payment of the whole or any part of the Indebtedness shall be relieved of such obligations by reason of the failure of Lender to comply with any request of Borrower, or of any other person so obligated, to take action to foreclose this Security Instrument or otherwise enforce any of the provisions of this Security Instrument or of any obligations secured by this Security Instrument, or by reason of the release, regardless of consideration, of the whole or any part of the security held for the Indebtedness, or by reason of the subordination in whole or in part by Lender of the lien, security interest or rights evidenced hereby, or by reason of any agreement or stipulation with any subsequent owner or owners of the Property extending the time of payment or modifying the terms of the Indebtedness or this Security Instrument without first having obtained the consent of Borrower or such other person, and, in the latter event, Borrower and all such other persons shall continue to be liable to make such payments according to the terms of any such agreement of extension or modification unless expressly released and discharged in writing by Lender; (iv) regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien or security interest on the Property, Lender may release the obligation of anyone at any time liable for any of the indebtedness or any part of the security held for the Indebtedness and may extend the time of payment or otherwise modify the terms of the Indebtedness and/or this Security Instrument without, as to the security or the remainder thereof, in anywise impairing or affecting the lien or security interest of this Security Instrument or the priority of such lien or security interest, as security for the payment of the Indebtedness as it may be so extended or modified over any subordinate lien or security interest; (v) the holder of any subordinate lien or security interest shall have no right, and shall not be granted the right, to terminate any lease affecting the Property whether or not such lease be subordinate to this Security Instrument; and (vi) Lender may resort for the payment of the Indebtedness to any security therefor held by Lender in such order and manner as Lender may elect.

6.23 Inconsistencies with Credit Agreement. In the event of any inconsistency between this Security Instrument and the Credit Agreement, the terms hereof shall control only as necessary to create, preserve and/or maintain a valid lien and security interest upon the Property, otherwise the provisions of the Credit Agreement shall control.

6.24 APPLICABLE LAW. THIS SECURITY INSTRUMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS (WITHOUT GIVING EFFECT TO TEXAS' PRINCIPLES OF CONFLICTS OF LAW) AND THE LAW OF THE UNITED STATES

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APPLICABLE TO TRANSACTIONS IN SUCH STATE OF TEXAS, EXCEPT FOR THOSE PROVISIONS IN THIS SECURITY INSTRUMENT AND IN THE OTHER LOAN DOCUMENTS PERTAINING TO THE CREATION, PERFECTION OR VALIDITY OF OR EXECUTION ON LIENS OR SECURITY INTERESTS ON PROPERTY LOCATED IN THE STATE WHERE THE PROPERTY IS LOCATED, WHICH PROVISIONS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED AND APPLICABLE UNITED STATES FEDERAL LAW.

6.25 CONSENT TO FORUM. THE PROVISIONS OF THE CREDIT AGREEMENT RELATING TO THE CHOICE OF FORUM FOR ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS ARE INCORPORATED HEREIN BY REFERENCE AS THOUGH SET FORTH HEREIN IN ITS ENTIRETY.

ARTICLE VII.

State Law Provisions

7.1 Conflicts. To the extent of any conflict between the provisions of this Article VII and the other provisions of this Security Instrument, the provisions of this Article VII shall control.

7.2 Benefits of Act. (a) Borrower and Lender shall have the benefit of all the provisions of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101) (the "Act"), including all amendments thereto which may become effective from time to time after the date hereof. If any provision of the Act which is specifically referred to herein may be repealed, Lender shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference.

(b) Lender shall have the right to foreclose the lien of this Security Instrument for the obligations secured hereby or any part thereof and/or exercise any right, power or remedy provided in the Security Instrument or any of the other Loan Documents in accordance with the Act. If any provision in the Security Instrument shall be inconsistent with any provision of the Act, provisions of the Act shall take precedence over the provisions of the Security Instrument that shall not invalidate or render unenforceable any other provision of this Security Instrument that can be construed in a manner consistent with the Act. If any provision of this Security Instrument shall grant to Lender (including Lender acting as a Lender-in-possession) or a receiver appointed pursuant to the terms hereof, any powers, rights or remedies prior to, upon or following the occurrence of an event of default which are more limited than the powers, rights or remedies that would otherwise be vested in Lender or in such receiver under the Act in the absence of said provision, Lender and such receiver shall be vested with the powers, rights and remedies granted in the Act to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by Lender which are of the type referred to in Section 5/15-1510 or 5/15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated

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elsewhere in this Security Instrument, shall be added to the obligations secured by this Security Instrument and/or by the judgment of foreclosure.

7.3 Insurance. (a) Wherever provision is made in this Security Instrument for insurance policies to bear mortgage clauses or other loss payable clauses or endorsements in favor of Lender, or to confer authority upon Lender to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure all such rights and power of Lender shall continue in Lender as judgment creditor or Lender until confirmation of sale.

(b) As required pursuant to the Collateral Protection Act, 815 ILCS 180/10(3), Borrower is hereby notified that in the event Borrower fails to provide, maintain, keep in force or deliver and furnish to Lender the policies of insurance required by this Security Instrument or evidence of their renewal as required herein, Lender may, but shall not be obligated to, procure such insurance at Borrower's expense to protect Borrower's interests in the Property. This insurance may, but need not, protect Borrower's interests. The coverage Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Property. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by the terms of this Security Instrument. If Lender purchases insurance for the Property as set forth herein, Borrower shall pay all amounts advanced by Lender, together with interest thereon at the Default Rate (as defined in the Note) from and after the date advanced by Lender until actually repaid by Borrower, promptly upon demand by Lender. Any amounts so advanced by Lender, together with interest thereon, shall be secured by this Security Instrument and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on its own.

7.4 Protective Advances. All advances, disbursements and expenditures made by Lender before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceeding authorized by the Security Instrument or by the Act (collectively "Protective Advances"), shall have the benefit of all applicable provisions of the Act.

(a) All Protective Advances shall be so much additional indebtedness secured by this Security Instrument, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the rate due and payable after a default under the terms of the Note.

(b) To the full extent permitted under the Act, the Security Instrument shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time the Security Instrument was recorded pursuant to Subsection (b)(1) of Section 5/15-1302 of the Act.

(c) All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

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- (i) determination of the amount of indebtedness secured by the Security Instrument at any time;
- (ii) the indebtedness found due and owing to the Lender in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;
- (iii) if right of redemption has not been waived by Borrower in this Security Instrument, computation of amount required to redeem, pursuant to Subsections (d)(2) and (c) of Section 5/15-1603 of the Act;
- (iv) determination of amount deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;
- (v) application of the income in the hands of any receiver or Lender in possession; and
- (vi) computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Sections 5/15-1508 and Section 5/15-1511 of the Act.

7.5 Lender in Possession. In addition to any provision of this Security Instrument authorizing Lender to take or be placed in possession of the Mortgaged Property, or for the appointment of a receiver, Lender shall have the right, in accordance with Subsections 5/15-1701 and 5/15-1702 of the Act, to be placed in possession of the Mortgaged Property or at its request to have a receiver appointed, and any such receiver, or Lender, if and when placed in possession, shall have, in addition to any other powers provided in the Security Instrument, all powers, immunities, and duties as provided for in Sections 5/15-1701 and 5/15-1703 of the Act.

7.6 Waiver of Redemption and Reinstatement. To the full extent permitted by law, Borrower hereby voluntarily and knowingly waives its rights to reinstatement and redemption to the extent allowed under Sections under Sections 15-1601 and 15-1602 of the Act, and to the full extent permitted by law, the benefits of all present and future valuation, appraisement, homestead, exemption, stay, redemption and moratorium laws under any state or federal law.

7.7 Amount Secured Hereby. At all times, regardless of whether any Loan proceeds have been disbursed, this Security Instrument secures (in addition to the Indebtedness secured hereby) the payment of any and all Loan commissions, service charges, liquidated damages, expenses and advances (whether obligatory or at the option of the Lender) due to or incurred by Lender in connection with the Loan, provided, however, that in no event shall the total amount secured hereby exceed two hundred (200%) percent of the face amount of the Note.

7.8 Business Loan Recital/Statutory Exemption. (a) Borrower acknowledges and agrees that (i) the proceeds of the Loan will be used in conformance with subparagraph (1) of Section 4 of the Illinois Interest Act (815 ILCS 205/0.01, et seq., including Section 4(1) thereof);

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(ii) the Indebtedness secured hereby has been incurred by Borrower solely for business purposes of Borrower and for Borrower's investment or profit, as contemplated by said Section 4(1); (iii) the Indebtedness secured hereby constitutes a loan secured by real estate within the purview of and as contemplated by said Section 4(1); and (iv) the secured Indebtedness is an exempted transaction under the Truth-In-Lending Act, 15 U.S.C. Sec. 1601 *et. seq.* and has been entered into solely for business purposes of Borrower and Borrower's investment or profit, as contemplated by said section.

(b) Without limiting the generality of anything contained herein, Borrower acknowledges and agrees that the transaction of which this Security Instrument is part is a transaction which does not include either agricultural real estate (as defined in 15-1201 of the Act) or residential real estate (as defined in 15-1219 of the Act).

7.9 Sealed Instrument. Borrower intends for this Security Instrument to be executed and delivered by Borrower, and accepted by Lender, as a sealed instrument.

7.10 Variable Rate. This Security Instrument secures the full and timely payment of Indebtedness, including, among other things, the obligation to pay interest on the unpaid principal balance at a variable rate of interest to the extent provided in the Note.

7.11 Fixture Filing. This Security Instrument also shall constitute a "fixture filing" for the purposes of the Uniform Commercial Code against all of the Property which is or is to become fixtures. Information concerning the security interest herein granted may be obtained at the addresses of Debtor (Borrower) and Secured Party (Lender) as set forth in the first paragraph of this Security Instrument.

IN WITNESS WHEREOF, Borrower has executed this Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing as of the date first set forth above.

REMAINDER OF PAGE INTENTIONALLY BLANK
SIGNATURE PAGE FOLLOWS

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SIGNATURE PAGE OF BORROWER TO MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

BORROWER:

LD ACQUISITION COMPANY 8 LLC

By: *Keith Drucker*
Name: Keith Drucker
Title: Chief Operating Officer

THE STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on June __, 2014, by _____ of LD ACQUISITION COMPANY 8 LLC, a Delaware limited liability company, on behalf of said company.

SEE ATTACHED

Notary Public in and for
the State of _____

My Commission Expires: _____

**THIS INSTRUMENT PREPARED BY AND
AFTER RECORDING RETURN TO:**

Thompson & Knight LLP
333 Clay Street, Suite 3300
Houston, Texas 77002
Attention: Alfred M. Meyerson

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

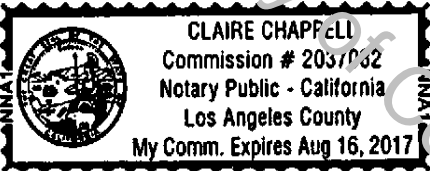
State of California

County of Los Angeles }

On 6/24/14 before me, Claire Chappell, Notary Public
Date Here Insert Name and Title of the Office

personally appeared Keith Ducker
Name(s) of Signer(s)

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



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: _____

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EXHIBIT A

(Easement)

An easement estate created by that certain Easement and Assignment of Lease Agreement dated April 9, 2014 and being filed for record under 1414244038, said easement being more fully described therein and being a portion of the following described property:

Lots 1, 2, 3, 4, 5, & 6 in Block 3 in Edison Park Subdivision, being in Section 36, Township 41 North, Range 12 East of the third Principal Meridian, in Cook County, Illinois.

AND BEING the same property conveyed to Pullman Bank and Trust Company, an Illinois corporation, as Trustee of a Trust Agreement dated the 30th day of March 1999, known as Trust Number 71-32422 from James J. Christie, married to Rita Christie by Deed in Trust Warranty Deed dated April 08, 1999 and recorded April 15, 1999 in Instrument No. 99364888.

Tax Parcel No. 04-04-416-036

Common Street Address: _____

Property Identification Number: _____

Property of Cook County Clerk's Office

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EXHIBIT B

(Lease)

(TC121842)

That certain Lease Agreement dated January 14, 2000, by and between Pullman Bank and Trust Company, an Illinois corporation, as Trustee and not personally under Trust Agreement dated the 30th day of March, 1999, known as Trust Number 71-82422 ("Lessor") and AT&T Wireless PCS, LLC, a Delaware limited liability corporation ("Lessee"), for the property located at 6650 N Northwest Hwy, Chicago IL 60631-1307, together with all amendments, modifications and/or assignments thereto.

(TC121843)

That certain Lease Agreement dated February 2, 1996, by and between Pullman Bank and Trust Company, an Illinois corporation, as Trustee and not personally under Trust Agreement dated the 30th day of March, 1999, known as Trust Number 71-82422 ("Lessor") and United States Cellular Corporation ("Lessee"), for the property located at 6650 N Northwest Hwy Chicago IL 60631-1307, together with all amendments, modifications and/or assignments thereto.

PROPERTY of Cook County Clerk's Office