

Illinois Anti-Predatory Lending Database Program

Doc#: 2302745108 Fee: \$98.00
Karen A. Yarbrough
Cook County Clerk
Date: 01/27/2023 10:35 AM Pg: 1 of 32

Certificate of Exemption



Report Mortgage Fraud

844-768-1713

CHI 2208192 CD4-1065

The property identified as: **PIN: 17-03-206-002-0000**

Address:

Street: 933-945 N State Street

Street line 2:

City: Chicago

State: IL

ZIP Code: 60610

Lender: CIBC Bank USA

Borrower: State-Walton LLC, an Illinois Limited Liability Company

Loan / Mortgage Amount: \$6,800,000.00

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: 3C44956F-9FB5-4D80-9E7E-CEB7DAFEF417

Execution date: 1/26/2023

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**THIS DOCUMENT WAS PREPARED BY,
AND AFTER RECORDING, RETURN TO:**

Jeffrey P. Gray
BARNES & THORNBURG LLP
 One North Wacker Drive
 Suite 4400
 Chicago, Illinois 60606

PROPERTY ADDRESS OF REAL ESTATE:

933-945 N. State Street, Chicago, IL 60610

PERMANENT TAX INDEX NUMBERS:

17-03-206-002-0000
 17-03-206-015-0000

This space for Recorder's use only.

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

This **LEASEHOLD MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES, AND FIXTURE FILING** (this "**Mortgage**") is dated as of January 26, 2023, and is executed by **STATE-WALTON LLC**, an Illinois limited liability company ("**Mortgagor**"), to **CIBC BANK USA**, an Illinois state chartered bank ("**Mortgagee**").

RECITALS:

A. Pursuant to the terms and conditions contained in that certain Loan and Security Agreement dated as of the date of this Mortgage, executed by and between Mortgagor and Mortgagee (the "**Loan Agreement**"; any capitalized word or phrase not otherwise defined in this Mortgage has the meaning ascribed to such word or phrase in the Loan Agreement), Mortgagee has agreed to loan to Mortgagor the aggregate, maximum principal amount of **SIX MILLION EIGHT HUNDRED THOUSAND AND 00/100 DOLLARS** (\$6,800,000.00) (the "**Loan**") to pay a portion of the amounts needed to refinance the Property. The Loan will be evidenced by a certain promissory note (as the same may be amended, modified, replaced or restated from time to

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time, the “**Note**”) in the aggregate maximum principal amount of the Loan, which is (i) executed by Mortgagor, (ii) payable to the order of Mortgagee in the maximum principal amount of the Commitment, and (iii) dated the date of this Mortgage or the later date upon which such Mortgagee becomes a party to the Loan Agreement (the Note and the Loan, together with such other documents, as amended, restated or replaced from time to time, are collectively referred to in this Mortgage as the “**Loan Documents**”). The Loan Agreement provides that the applicable rate at which interest accrues upon the outstanding principal balance of the Loan may increase or decrease from time to time.

B. Mortgagor is the ground lessee and the holder of leasehold title in and to all of the Land located in the County of Cook and State of Illinois (the “**State**”), pursuant to the ground lease described on **Exhibit B** attached hereto and made a part of this Mortgage (the “**Ground Lease**”), which leasehold interest in such Property forms a portion of the Property (as defined below).

C. A condition precedent to Mortgagee’s extension of the Loan to Mortgagor is the execution and delivery by Mortgagor of this Mortgage.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Mortgagor agrees as follows:

AGREEMENTS:

Mortgagor mortgages, grants, assigns, remises, releases, warrants, and conveys to Mortgagee, and grants a security interest in, the following described property, rights, and interests (collectively referred to in this Mortgage as the “**Property**”), all of which property, rights, and interests are pledged primarily and not secondarily:

(a) the leasehold estate created pursuant to the Ground Lease with respect to the real estate located in the County of Cook, State of Illinois, and legally described on **Exhibit A** attached to and made a part of this Mortgage (the “**Real Estate**”),

(b) all improvements of every nature whatsoever now or hereafter situated on the Real Estate, including all extensions, additions, improvements, betterments, renewals, substitutions, and replacements to any of the foregoing and all of the right, title, and interest of Mortgagor in and to any such personal property or fixtures together with the benefit of any deposits or payments now or hereafter made on such personal property or fixtures by Mortgagor or on its behalf (the “**Improvements**”);

(c) all easements, rights of way, gores of real estate, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights, and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances whatsoever, in any way now or after the date of this Mortgage belonging, relating, or appertaining to the Real Estate, and the reversions, remainders, rents, issues, and profits thereof, and all the estate, right, title, interest, property, possession, claim, and demand whatsoever, at law as well as in equity, of Mortgagor of, in and to the same;

(d) all rents, revenues, issues, profits, proceeds, income, royalties, Letter of Credit Rights (as defined in the Uniform Commercial Code of the State of Illinois (the “**Code**”) in

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effect from time to time), escrows, security deposits, impounds, reserves, tax refunds, and other rights to monies from the Property and/or the businesses and operations conducted by Mortgagor thereon, to be applied against the Indebtedness (as defined below); provided, however, that Mortgagor, so long as no Event of Default (as defined below) has occurred and is continuing under this Mortgage, may collect rent as it becomes due, but not more than one (1) month in advance thereof;

(e) all interest of Mortgagor, as lessor, in all leases now or hereafter entered into with respect to the Real Estate and Improvements, whether written or oral (each, a "Lease", and collectively, the "Leases"), together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission hereinabove given to Mortgagor to collect the rentals under any such Lease;

(f) all fixtures and articles of personal property now or hereafter owned by Mortgagor and forming a part of or used in connection with the Real Estate or the Improvements, including, but without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, computer hardware and software used in the operation of the Property, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, exercise equipment, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or will be attached to the Real Estate or the Improvements in any manner; it being mutually agreed that all of the aforesaid property owned by Mortgagor and placed on the Real Estate or the Improvements, so far as permitted by law, are deemed to be fixtures, a part of the realty, and security for the Indebtedness; notwithstanding the agreement hereinabove expressed that certain articles of property form a part of the realty covered by this Mortgage and are appropriated to its use and deemed to be realty, to the extent that such agreement and declaration may not be effective and that any of said articles may constitute Goods (as defined in the Code), this instrument constitutes a security agreement, creating a security interest in such goods, as collateral, in Mortgagee, as a Secured Party, and Mortgagor, as Debtor, all in accordance with the Code;

(g) all of Mortgagor's interests in General Intangibles, including Payment Intangibles and Software (each as defined in the Code) now owned or hereafter acquired and related to the Property, including, without limitation, all of Mortgagor's right, title, and interest in and to: (i) all agreements, licenses, permits, and contracts to which Mortgagor is or may become a party and which relate to the Property; (ii) all obligations and indebtedness owed to Mortgagor thereunder; (iii) all intellectual property related to the Property; and (iv) all choses in action and causes of action relating to the Property;

(h) all of Mortgagor's accounts now owned or hereafter created or acquired as relate to the Property and/or the businesses and operations conducted thereon, including, without limitation, all of the following now owned or hereafter created or acquired by Mortgagor: (i) Accounts (as defined in the Code), contract rights, book debts, notes, drafts, and other

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obligations or indebtedness owing to Mortgagor arising from the sale, lease, or exchange of goods or other property and/or the performance of services; (ii) Mortgagor's rights in, to, and under all purchase orders for goods, services, or other property; (iii) Mortgagor's rights to any goods, services, or other property represented by any of the foregoing; (iv) monies due or to become due to Mortgagor under all contracts for the sale, lease, or exchange of goods or other property and/or the performance of services including the right to payment of any interest or finance charges in respect thereto (whether or not yet earned by performance on the part of Mortgagor); (v) Securities, Investment Property, Financial Assets, and Securities Entitlements (each as defined in the Code); (vi) proceeds of any of the foregoing and all collateral security and guaranties of any kind given by any person or entity with respect to any of the foregoing; and (vii) all warranties, guarantees, permits, and licenses in favor of Mortgagor with respect to the Property; and

i) all proceeds of the foregoing, including, without limitation, all judgments, awards of damages, and settlements hereafter made resulting from condemnation proceeds or the taking of the Property or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance maintained with respect to the Property or proceeds of any sale, option, or contract to sell the Property or any portion thereof.

TO HAVE AND TO HOLD the Property, unto Mortgagee, its successors and assigns, forever, for the purposes and upon the uses herein set forth together with all right to possession of the Property after the occurrence of any Event of Default which is continuing; Mortgagor hereby **RELEASING AND WAIVING** all rights under and by virtue of the homestead exemption laws of the State of Illinois.

FOR THE PURPOSE OF SECURING: (i) the payment of the Loan and all interest, late charges, prepayment premium, if any, exit fee, if any, interest rate swap or hedge expenses (if any), reimbursement obligations, fees, and expenses for letters of credit issued by Mortgagee for the benefit of Mortgagor, if any, and other indebtedness evidenced by or owing under the Note, any of the other Loan Documents, and any application for letters of credit and master letter of credit agreement, together with any extensions, modifications, renewals, or refinancings of any of the foregoing; (ii) the obligations and liabilities of Mortgagor to Mortgagee, under and pursuant to any interest rate, currency, or commodity swap agreement, cap agreement, or collar agreement executed by and between Mortgagor and Mortgagee, as the case may be from time to time (collectively, "**Interest Rate Agreements**"), (iii) the performance and observance of the covenants, conditions, agreements, representations, warranties, and other liabilities and obligations of Mortgagor or any other obligor to or benefiting Mortgagee which are evidenced or secured by or otherwise provided in the Loan Agreement, the Note, this Mortgage, or any of the other Loan Documents; and (iv) the reimbursement to Mortgagee of any and all sums incurred, expended, or advanced by Mortgagee pursuant to any term or provision of or constituting additional indebtedness under or secured by this Mortgage, any of the other Loan Documents, or any Interest Rate Agreements or any application for letters of credit and master letter of credit agreement, with interest thereon as provided herein or therein (collectively, the "**Indebtedness**").

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. **TITLE.** Mortgagor represents, warrants and covenants that (a) the Property is free and clear of all liens and encumbrances, except those liens and encumbrances in favor of

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Mortgagee and as otherwise described on Exhibit C attached hereto and made a part of this Mortgage (the “**Permitted Exceptions**”); and (b) Mortgagor has legal power and authority to mortgage and convey the Property.

2. MAINTENANCE, REPAIR, RESTORATION, PRIOR LIENS, PARKING. Mortgagor covenants that, so long as any portion of the Indebtedness remains unpaid, Mortgagor will:

(a) promptly repair, restore, or rebuild any Improvements now or hereafter on the Property which may become damaged or be destroyed to a condition substantially similar to the condition immediately prior to such damage or destruction, but only to the extent that proceeds of insurance are available or sufficient for the purpose;

(b) keep the Property in good condition and repair, without actual, physical waste, and free from mechanics’, materialmen’s, or like liens or claims or other liens or claims for lien (subject to Mortgagor’s right to contest liens as permitted by the terms of **Section 26** of this Mortgage);

(c) pay when due the Indebtedness in accordance with the terms of the Note and the other Loan Documents and duly perform and observe all of the terms, covenants, and conditions to be observed and performed by Mortgagor under the Note, this Mortgage, and the other Loan Documents;

(d) pay when due any indebtedness which may be secured by a permitted lien or charge on the Property on a parity with, superior to, or inferior to the lien of this Mortgage, and upon request exhibit satisfactory evidence of the discharge of such lien to Mortgagee (subject to Mortgagor’s right to contest liens as permitted by the terms of **Section 26** of this Mortgage);

(e) complete within a reasonable time any Improvements now or at any time in the process of erection upon the Property, to the extent permitted hereby or the Loan Agreement;

(f) comply with all requirements of law, municipal ordinances, or restrictions and covenants of record with respect to the Property and the use thereof other than those portions of the Property leased to Tenants that are not Affiliates of Mortgagor;

(g) obtain and maintain in full force and effect, and abide by and satisfy the material terms and conditions of, all material permits, licenses, registrations and other authorizations with or granted by any governmental authorities that may be required from time to time with respect to the performance of its obligations under this Mortgage;

(h) make no material alterations in the Property or demolish any portion of the Property without Mortgagee’s prior written consent (such consent not to be unreasonably withheld, delayed or conditioned), except as required by law or municipal ordinance;

(i) not commence the erection of any Improvements upon the Real Estate without Mortgagee’s prior written consent;

(j) suffer or permit no change in the use or general nature of the occupancy of the Property, without Mortgagee’s prior written consent;

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- (k) pay when due all operating costs of the Property;
- (l) not initiate or acquiesce in any zoning reclassification with respect to the Property, without Mortgagee's prior written consent;
- (m) provide and thereafter maintain adequate parking areas within the Property as may be required by law, ordinance or regulation (whichever may be greater);
- (n) comply, and cause the Property (other than those portions of the Property leased to tenants that are not Affiliates of Mortgagor, in which case Mortgagor will require the Tenants thereof to comply and cause such portions of the Property) at all times to be operated in compliance, with all applicable federal, state, local, and municipal environmental, health, and safety laws, statutes, ordinances, rules, and regulations; and
- (o) without limiting the generality of subsection (n) above, (i) ensure, and cause each of its subsidiaries to ensure, that no person who owns twenty percent (20.00%) or more of the equity interests in Mortgagor, or otherwise controls Mortgagor or any of its subsidiaries is or becomes listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("**OFAC**"), the Department of the Treasury or included in any Executive Orders, (ii) not use or permit the use of the proceeds of the Loan to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (iii) comply, and cause each of its subsidiaries to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

3. PAYMENT OF TAXES AND ASSESSMENTS. Mortgagor will pay when due and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all generally called "**Taxes**" in this Mortgage), whether or not assessed against Mortgagor, if applicable to the Property or any interest therein, or the Indebtedness, or any obligation or agreement secured by this Mortgage, subject to Mortgagor's right to contest the same, as provided by the terms of this Mortgage; and Mortgagor will, upon written request, furnish to Mortgagee duplicate receipts therefor within ten (10) days after Mortgagee's request.

4. TAX DEPOSITS. From and after an Event of Default which is continuing, Mortgagor, upon receipt of Mortgagee's written direction, must deposit with Mortgagee, on the first day of each month until the Indebtedness is fully paid, a sum equal to one-twelfth (1/12th) of one hundred five percent (105.00%) of the most recent ascertainable annual Taxes on the Property. If requested by Mortgagee, Mortgagor must also deposit with Mortgagee an amount of money which, together with the aggregate of the monthly deposits to be made pursuant to the preceding sentence as of one month prior to the date on which the next installment of annual Taxes for the current calendar year become due, is sufficient to pay in full such installment of annual Taxes, as estimated by Mortgagee. Such deposits are to be held without any allowance of interest and are to be used for the payment of Taxes next due and payable when they become due. So long as no Event of Default has occurred and is continuing, Mortgagee will, at its option, pay such Taxes when the same become due and payable (upon submission of appropriate bills therefor from Mortgagor) or will release sufficient funds to Mortgagor for the payment thereof. If the funds so deposited are insufficient to pay any such Taxes for any year (or installments thereof, as applicable)

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when the same become due and payable, Mortgagor must, within ten (10) days after receipt of written demand therefor, deposit additional funds as may be necessary to pay such Taxes in full. If the funds so deposited exceed the amount required to pay such Taxes for any year, the excess will be applied toward subsequent deposits. Said deposits need not be kept separate and apart from any other funds of Mortgagee. Mortgagee, in making any payment hereby authorized relating to Taxes, may do so according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement, or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien, or title or claim thereof. Upon an Event of Default which is continuing, Mortgagee may, at its option, apply any monies at the time on deposit pursuant to this **Section 4** to cure an Event of Default or to pay any of the Indebtedness in such order and manner as Mortgagee may elect. If such deposits are used to cure an Event of Default or pay any of the Indebtedness, Mortgagor must immediately, upon demand by Mortgagee, deposit with Mortgagee an amount equal to the amount expended by Mortgagee from the deposits. When the Indebtedness has been fully paid, any remaining deposits will be returned to Mortgagor. Such deposits are pledged as additional security for the Indebtedness and will not be subject to the direction or control of Mortgagor. Mortgagee will not be liable for any failure to apply to the payment of Taxes any amount so deposited unless Mortgagor, prior to an Event of Default, has requested Mortgagee in writing to make application of such funds to the payment of such amounts, accompanied by the bills for such Taxes. Mortgagee will not be liable for any act or omission taken in good faith or pursuant to the instruction of any party.

5. INSURANCE.

(a) Mortgagor must at all times keep all buildings, improvements, fixtures, and articles of personal property owned by Mortgagor now or hereafter situated on the Property insured against loss or damage by fire and such other hazards as may reasonably be required by Mortgagee, in accordance with the terms, coverages, and provisions described in the Loan Agreement, and such other insurance as Mortgagee may from time to time reasonably require. Unless Mortgagor provides Mortgagee evidence of the insurance coverages required under this Mortgage, Mortgagee may purchase insurance at Mortgagor's expense to cover Mortgagee's interest in the Property. The insurance may, but need not, protect Mortgagor's interest. The coverages that Mortgagee purchases may not pay any claim that Mortgagor makes or 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 Mortgage. If Mortgagee purchases insurance for the Property, Mortgagor will be responsible for the costs of such insurance, including, without limitation, interest and any other charges which Mortgagee may impose in connection 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 cost of the insurance may be more than the cost of insurance Mortgagor may be able to obtain on its own.

(b) Mortgagor must not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Mortgage unless Mortgagee is included thereon as the loss payee or an additional insured as applicable, under a standard mortgage clause acceptable to Mortgagee and such separate insurance is otherwise acceptable to Mortgagee.

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(c) In the event of loss, Mortgagor must give prompt notice thereof to Mortgagee, who, if such loss exceeds the lesser of ten percent (10.00%) of the Indebtedness or **FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$500,000.00)** (the “**Threshold**”), will have the sole and absolute right to make proof of loss. If such loss exceeds the Threshold or if such loss is equal to or less than the Threshold and the conditions set forth in clauses (i), (ii), (iii), and (iv) of the immediately succeeding sentence are not satisfied, then Mortgagee, solely and directly will receive such payment for loss from each insurance company concerned. If and only if (i) such loss is equal to or less than the Threshold, (ii) no Event of Default or event that with the passage of time, the giving of notice or both would constitute an Event of Default then exists, (iii) Mortgagee determines that the work required to complete the repair or restoration of the Property necessitated by such loss can be completed no later than six (6) months prior to the Maturity Date, and (iv) the total of the insurance proceeds and such additional amounts placed on deposit with Mortgagee by Mortgagor for the specific purpose of rebuilding or restoring the Improvements equals or exceeds, in the reasonable discretion of Mortgagee, the reasonable costs of such rebuilding or restoration, then Mortgagee will endorse to Mortgagor any such payment and Mortgagor may collect such payment directly. Mortgagee will have the right, at its option and in its sole discretion, to apply any insurance proceeds received by Mortgagee pursuant to the terms of this **Section 5**, after the payment of all of Mortgagee’s expenses, either (A) on account of the Indebtedness, irrespective of whether such principal balance is then due and payable, whereupon Mortgagee may declare the whole of the balance of Indebtedness plus any costs, expenses, charges or other amounts described in the Loan Agreement to be due and payable, or (B) to the restoration or repair of the property damaged as provided in subsection (d) below: provided, however, that Mortgagee hereby agrees to permit the application of such proceeds to the restoration or repair of the damaged property, subject to the provisions of subsection (d) below, if (x) Mortgagee has received satisfactory evidence that such restoration or repair will be completed no later than the date that is six (6) months prior to the Maturity Date, and (y) no Event of Default, or event that with the passage of time, the giving of notice, or both would constitute an Event of Default, then exists. If insurance proceeds are made available to Mortgagor by Mortgagee as hereinafter provided, Mortgagor must repair, restore, or rebuild the damaged or destroyed portion of the Property so that the condition and value of the Property are substantially the same as the condition and value of the Property prior to being damaged or destroyed, subject to all current laws. Any insurance proceeds applied on account of the unpaid principal balance of the Note will not be subject to the costs, expenses, charges or other amounts described in the Loan Agreement and shall not be subject to any prepayment penalty or premium. In the event of foreclosure of this Mortgage, all right, title, and interest of Mortgagor in and to any insurance policies then in force will pass to the purchaser at the foreclosure sale.

(d) If insurance proceeds are made available by Mortgagee to Mortgagor, Mortgagor must comply with the following conditions:

(i) Before commencing to repair, restore, or rebuild following damage to, or destruction of, all or a portion of the Property, whether by fire or other casualty, Mortgagor must obtain from Mortgagee, their approval of all site and building plans and specifications pertaining to such repair, restoration or rebuilding.

(ii) Prior to each payment or application of any insurance proceeds to the repair or restoration of the improvements upon the Property to the extent permitted in

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subsection (c) above (which payment or application may be made, at Mortgagee's option, through an escrow, the terms and conditions of which are satisfactory to Mortgagee and the cost of which is to be borne by Mortgagor), Mortgagee must be satisfied as to the following:

(i) no Event of Default or any event which, with the passage of time or giving of notice would constitute an Event of Default, has occurred and remains continuing;

(ii) either such Improvements have been fully restored, or the expenditure of money as may be received from such insurance proceeds will be sufficient to repair, restore, or rebuild the Property, free and clear of all liens, claims, and encumbrances, except the lien of this Mortgage and the Permitted Exceptions, or, if such insurance proceeds will be insufficient to repair, restore, and rebuild the Property, Mortgagor has deposited with Mortgagee such amount of money which, together with the insurance proceeds will be sufficient to restore, repair and rebuild the Property; and

(iii) prior to each disbursement of any such proceeds, Mortgagee must be furnished with a statement of Mortgagee's architect (the cost of which must be borne by Mortgagor), certifying the extent of the repair and restoration completed to the date thereof, and that such repairs, restoration, and rebuilding have been performed to date in conformity with the plans and specifications approved by Mortgagee and with all statutes, regulations, or ordinances (including building and zoning ordinances) affecting the Property; and Mortgagee must be furnished with appropriate evidence of payment for labor or materials furnished to the Property, and total or partial lien waivers substantiating such payments.

(iii) If Mortgagor fails to restore, repair, or rebuild the Improvements within a time deemed satisfactory by Mortgagee, then Mortgagee, at its option, may (A) commence and perform all necessary acts to restore, repair, or rebuild the said Improvements for or on behalf of Mortgagor, or (B) declare an Event of Default. If insurance proceeds exceed the amount necessary to complete the repair, restoration, or rebuilding of the Improvements, such excess will be applied on account of the Indebtedness irrespective of whether such Indebtedness is then due and payable without payment of any premium or penalty.

6. CONDEMNATION. If all or any part of the Property are damaged, taken, or acquired, either temporarily or permanently, in any condemnation proceeding, or by exercise of the right of eminent domain, the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the remaining unpaid Indebtedness, is hereby assigned to Mortgagee, who is empowered to collect and receive the same and to give proper receipts therefor in the name of Mortgagor and the same must be paid forthwith to Mortgagee. Such award or monies will be applied on account of the Indebtedness, irrespective of whether such Indebtedness is then due and payable and, at any time from and after the taking Mortgagee may declare to be due and payable the whole of the balance of the Indebtedness, plus any costs, expenses, charges or other amounts described in the Loan Agreement. Notwithstanding the provisions of this **Section 6** to the contrary, if any condemnation or taking of less than the

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entire Property occurs and provided that no Event of Default and no event or circumstance which with the passage of time, the giving of notice, or both would constitute an Event of Default then exists, and if such partial condemnation, in the reasonable discretion of Mortgagee, has no material adverse effect on the operation or value of the Property, then the award or payment for such taking or consideration for damages resulting therefrom may be collected and received by Mortgagor, and Mortgagee hereby agrees that in such event it will not declare the Indebtedness to be due and payable, if it is not otherwise then due and payable.

7. STAMP TAX. If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the execution and delivery of this Mortgage, the Note, or any of the other Loan Documents, Mortgagor must pay such tax in the manner required by any such law. Mortgagor further agrees to reimburse Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any such tax. Notwithstanding the foregoing, Mortgagor will not be required to pay any income or franchise taxes of Mortgagee.

8. LEASE ASSIGNMENT. Mortgagor acknowledges that, concurrently herewith, Mortgagor has executed and delivered to Mortgagee, as additional security for the repayment of the Loan, an Assignment of Rents and Leases (the "**Assignment**") pursuant to which Mortgagor has assigned to Mortgagee interests in the Leases of the Property and the rents and income from the Property. All of the provisions of the Assignment are hereby incorporated herein as if fully set forth at length in the text of this Mortgage. Mortgagor agrees to abide by all of the provisions of the Assignment.

9. EFFECT OF EXTENSIONS OF TIME AND OTHER CHANGES. If the payment of the Indebtedness or any part thereof is extended or varied, if any part of any security for the payment of the Indebtedness is released, if the rate of interest charged under the Note is changed or if the time for payment thereof is extended or varied, all persons now or at any time hereafter liable therefor, or interested in the Property or having an interest in Mortgagor, will be held to assent to such extension, variation, release, or change and their liability and the lien and all of the provisions of this Mortgage will continue in full force, any right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation, release, or change.

10. EFFECT OF CHANGES IN LAWS REGARDING TAXATION. If any law is enacted after the date of this Mortgage requiring (a) the deduction of any lien on the Property from the value thereof for the purpose of taxation, (b) the imposition upon Mortgagee of the payment of the whole or any part of the Taxes, charges, or liens herein required to be paid by Mortgagor, or (c) a change in the method of taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Property, or the manner of collection of taxes, so as to affect this Mortgage or the Indebtedness or the holders thereof, then Mortgagor, upon demand by Mortgagee, must pay such Taxes or charges, or reimburse Mortgagee therefor; provided, however, that Mortgagor will not be deemed to be required to pay any income or franchise taxes of Mortgagee. Notwithstanding the foregoing, if in the opinion of counsel for Mortgagee it is or may be unlawful to require Mortgagor to make such payment or the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then Mortgagee may declare all of the Indebtedness to be immediately due and payable.

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11. MORTGAGEE'S PERFORMANCE OF DEFAULTED ACTS AND EXPENSES INCURRED BY MORTGAGEE. If an Event of Default has occurred, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise, or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Property or consent to any tax or assessment or cure any default of Mortgagor in any Lease of the Property. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies advanced by Mortgagee in regard to any tax referred to in **Section 7** above or to protect the Property or the lien of this Mortgage, will be so much additional Indebtedness, and will become immediately due and payable by Mortgagor to Mortgagee, upon demand, and with interest thereon accruing from the date of such demand until paid at the Default Rate (as defined in the Loan Agreement). In addition to the foregoing, any costs, expenses, and fees, including reasonable attorneys' fees, incurred by Mortgagee in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting or enforcing any of Mortgagee's rights under this Mortgage, (c) recovering any Indebtedness, (d) any litigation or proceedings affecting the Note, this Mortgage, any of the other Loan Documents, or the Property, including without limitation, bankruptcy and probate proceedings, or (e) preparing for the commencement, defense, or participation in any threatened litigation or proceedings affecting the Note, this Mortgage, any of the other Loan Documents, or the Property, will be so much additional Indebtedness, and will become immediately due and payable by Mortgagor to Mortgagee, upon demand, and with interest thereon accruing from the date of such demand until paid at the Default Rate. The interest accruing under this **Section 11** will be immediately due and payable by Mortgagor to Mortgagee, and will be additional Indebtedness evidenced by the Note and secured by this Mortgage. Mortgagee's failure to act will never be considered as a waiver of any right accruing to Mortgagee on account of any Event of Default. Should any amount paid out or advanced by Mortgagee under this Mortgage, or pursuant to any agreement executed by Mortgagor in connection with the Loan, be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any lien or encumbrance upon the Property or any part thereof, then Mortgagee will be subrogated to any and all rights, equal or superior titles, liens, and equities, owned or claimed by any owner or holder of said outstanding liens, charges, and indebtedness, regardless of whether said liens, charges, and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

12. SECURITY AGREEMENT. Mortgagor and Mortgagee agree that this Mortgage constitutes a Security Agreement within the meaning of the Code with respect to (a) all sums at any time on deposit for the benefit of Mortgagor or held by Mortgagee (whether deposited by or on behalf of Mortgagor or anyone else) pursuant to any of the provisions of this Mortgage or the other Loan Documents, and (b) any personal property included in the granting clauses of this Mortgage, which personal property may not be deemed to be affixed to the Property or may not constitute a "**Fixture**" (within the meaning of Section 9-102(41) of the Code and which property is hereinafter referred to as "**Personalty**"), and all replacements of, substitutions for, additions to, and the proceeds thereof, and the "**Supporting Obligations**" (as defined in the Code) (all of said Personalty and the replacements, substitutions, and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as "**Collateral**"), and that a security interest in and to the Collateral is hereby granted to Mortgagee, and the Collateral and all of Mortgagor's

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right, title, and interest therein are hereby assigned to Mortgagee, all to secure payment of the Indebtedness. All of the provisions contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Property; and the following provisions of this **Section 12** will not limit the applicability of any other provision of this Mortgage but will be in addition thereto:

(a) Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges, or encumbrances other than the lien of this Mortgage, other liens and encumbrances benefiting Mortgagee and no other party, the Permitted Exceptions, and liens and encumbrances, if any, expressly permitted by the other Loan Documents.

(b) The Collateral is to be used by Mortgagor solely for business purposes.

(c) The Collateral will be kept at the Real Estate and, except for Obsolete Collateral (as defined below), will not be removed therefrom without the consent of Mortgagee (being the Secured Party as that term is used in the Code). The Collateral may be affixed to the Real Estate but will not be affixed to any other real estate.

(d) The only persons having any interest in the Property are Mortgagor, Mortgagee, and holders of interests, if any, expressly permitted by the Loan Documents.

(e) No Financing Statement (other than Financing Statements showing Mortgagee as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted hereby) covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor, at its own cost and expense, upon demand, will furnish to Mortgagee such further information and will execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee and will do all such acts as Mortgagee may request at any time or from time to time or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness, subject to no other liens or encumbrances, other than liens or encumbrances benefiting Mortgagee and no other party, and liens and encumbrances (if any) expressly permitted hereby; and Mortgagor will pay the cost of filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Mortgagee to be desirable. Mortgagor hereby irrevocably authorizes Mortgagee at any time, and from time to time, to file in any jurisdiction any initial financing statements and amendments thereto, without the signature of Mortgagor that (i) indicate the Collateral (A) is comprised of all assets of Mortgagor or words of similar effect, regardless of whether any particular asset comprising a part of the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed, or (B) as being of an equal or lesser scope or within greater detail as the grant of the security interest set forth herein, and (ii) contain any other information required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed regarding the sufficiency or filing office acceptance of any financing statement or amendment, including (A) whether Mortgagor is an organization, the type of organization and any organizational identification number issued to Mortgagor, and (B) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be

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cut, a sufficient description of the real property to which the Collateral relates. Mortgagor agrees to furnish any such information to Mortgagee promptly upon request. Mortgagor further ratifies and affirms its authorization for any financing statements and/or amendments thereto, executed and filed by Mortgagee in any jurisdiction prior to the date of this Mortgage. In addition, Mortgagor must make appropriate entries on its books and records disclosing Mortgagee's security interests in the Collateral.

(f) Upon the occurrence and during the continuance of an Event of Default under this Mortgage, Mortgagee (in accordance with the Loan Agreement will have the remedies of a secured party under the Code, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose, so far as Mortgagor can give authority therefor, with or without judicial process, may enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal will be subject to the conditions stated in the Code); and Mortgagee will be entitled to hold, maintain, preserve, and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code. Mortgagee may render the Collateral unusable without removal and may dispose of the Collateral on the Property. Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagor at least ten (10) days' notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice will be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor hereinafter set forth at least ten (10) days before the time of the sale or disposition. Mortgagee may buy at any public sale. Mortgagee may buy at private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Property. If Mortgagee so elects, the Property and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling, and the reasonable attorneys' fees and legal expenses incurred by Mortgagee will be applied against the Indebtedness in such order or manner as Mortgagee selects. Mortgagee will account to Mortgagor for any surplus realized on such disposition.

(g) The terms and provisions contained in this **Section 12**, unless the context otherwise requires, will have the meanings and be construed as provided in the Code.

(h) This Mortgage is intended to be a financing statement within the purview of Sections 9-501(a)(1)(B) and 9-502(c) of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Property. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are set forth in **Section 24** below. This Mortgage is to be filed for recording with the Recorder of Deeds of the county or counties where the Property are located. Mortgagor is the record owner of the Property.

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(i) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all Leases between Mortgagor or its agents as lessor, and various Tenants named therein, as lessee, including all extended terms and all extensions and renewals of the terms thereof, as well as any amendments to or replacement of said Leases, together with all of the right, title and interest of Mortgagor, as lessor thereunder.

(j) Mortgagor represents and warrants that: Mortgagor (i) Mortgagor's chief executive office is located in the State of Illinois; (ii) Mortgagor's state of organization is the State of Illinois; and (iii) Mortgagor's exact legal name is as set forth on the first (1st) page of this Mortgage.

(k) Mortgagor hereby agrees that: (i) where Collateral is in possession of a third party, Mortgagor will join with Mortgagee in notifying the third party of Mortgagee's interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Mortgagee; (ii) Mortgagor will cooperate with Mortgagee in obtaining control with respect to Collateral consisting of: deposit accounts, investment property, letter of credit rights, and electronic chattel paper; and (iii) until the Indebtedness is paid in full, Mortgagor will not change the state where it is located or change its name or form of organization without giving Mortgagee at least thirty (30) days' prior written notice in each instance.

13. RESTRICTIONS ON TRANSFER.

(a) Mortgagor, without the prior written consent of Mortgagee, must not effect, suffer, or permit any Prohibited Transfer (as defined herein). Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties or interests constitutes a "**Prohibited Transfer**":

(i) the Property or any part thereof or interest therein, excepting only sales or other dispositions of Collateral ("**Obsolete Collateral**") no longer useful in connection with the operation of the Property, provided that prior to the sale or other disposition thereof, such Obsolete Collateral has been replaced by Collateral of at least equal value and utility which is subject to the lien of this Mortgage with the same priority as with respect to the Obsolete Collateral;

(ii) any shares of capital stock of a corporate Mortgagor, a corporation which is a general partner in a partnership mortgagor or a managing member or manager in a limited liability company Mortgagor, or a corporation which is the owner of substantially all of the capital stock of any corporation described in this subsection (other than the shares of capital stock of a corporate trustee or a corporation whose stock is publicly traded on a national securities exchange or on the National Association of Securities Dealers' Automated Quotation System);

(iii) all or any part of the managing member or manager interest, as the case may be, in a limited liability company Mortgagor or a limited liability company which is a general partner of a partnership Mortgagor, a manager or managing member of a

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limited liability company Mortgagor, or the owner of substantially all of the capital stock of any corporate Mortgagor;

(iv) all or any part of the general partner or joint venture interest, as the case may be, of a partnership Mortgagor or a partnership which is a manager or managing member of a limited liability company Mortgagor or is the owner of substantially all of the capital stock of any corporate Mortgagor, or the conversion of a partnership Mortgagor to a corporation or limited liability company; or

(v) if there is any change in control (by way of transfers of stock, partnership, or member interests or otherwise) in any partner, member, manager, or shareholder, as applicable, which directly or indirectly controls the day to day operations and management of Mortgagor or any Guarantor (as defined in the Loan Agreement) and/or owns a controlling interest in Mortgagor or any Guarantor or if Jaime J. Javors dies or Jaime J. Javors and his affiliates (including family trusts) no longer directly or indirectly owns at least fifty one percent (51%) of the ownership interests in Mortgagor or its general partner, managing member or manager, as applicable, or any Guarantor, provided however conveyances of membership interest in Mortgagor or its sole member to immediate family members of Jaime J. Javors or trusts for their benefit for estate planning purposes or upon his death shall not constitute an Event of Default hereunder;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance, or alienation is effected directly, indirectly (including the nominee agreement), voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this **Section 13** will not apply (i) to liens securing the Indebtedness, (ii) to the lien of current taxes and assessments not in default, (iii) to any transfers of the Property, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests, as the case may be, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate, or personal representatives, (iv) to Leases permitted by the terms of the Loan Documents, if any, or (iii) transfers of membership interests of the sole member of Mortgagor between members of the sole member of Mortgagor existing as of the date of this Mortgage.

(b) In determining whether or not to make the Loan, Mortgagee evaluated the background and experience of Mortgagor and its manager in operating property such as the Property, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Property which is Mortgagee's security for the Note. Mortgagor and its manager are well experienced in borrowing money and owning and operating property such as the Property, were ably represented by a licensed attorney at law in the negotiation and documentation of the Loan and bargained at arm's length and without duress of any kind for all of the terms and conditions of the Loan, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolios at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Mortgagor. Mortgagor further recognizes that any secondary junior financing placed upon the Property (i) may divert funds which would otherwise be used to pay the Note; (ii) could result in acceleration and foreclosure by any such junior encumbrancer which would force Mortgagee to take measures and incur expenses to protect

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the its security; (iii) would detract from the value of the Property should Mortgagee come into possession thereof with the intention of selling same; and (iv) would impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Property. In accordance with the foregoing and for the purposes of (A) protecting Mortgagee's security, both of repayment and of value of the Property; (B) giving Mortgagee the full benefit of their bargain and contract with Mortgagor; (C) allowing Mortgagee to raise the interest rate and collect assumption fees; and (D) keeping the Property free of subordinate financing liens, Mortgagor agrees that if this **Section 13** is deemed a restraint on alienation, that it is a reasonable one.

14. EVENTS OF DEFAULT; ACCELERATION. Each of the following constitutes an "Event of Default" for purposes of this Mortgage:

(a) the occurrence of an Event of Default under any of the Note, the Loan Agreement, or any of the other Loan Documents;

(b) Mortgagor fails to perform or cause to be performed any other obligation or observe any other condition, covenant, term, agreement, or provision required to be performed or observed by Mortgagor under this Mortgage or under the Assignment; provided, however, that if such failure by its nature can be cured, then so long as the continued operation and safety of the Property, and the priority, validity, and enforceability of the liens created by this Mortgage or any of the other Loan Documents and the value of the Property are not impaired, threatened or jeopardized, then Mortgagor will have a period (the "Cure Period") of thirty (30) days after Mortgagor obtains actual knowledge of such failure or receives written notice of such failure to cure the same and an Event of Default will not be deemed to exist during the Cure Period, provided further that if Mortgagor commences to cure such failure during the Cure Period and is diligently and in good faith attempting to effect such cure, the Cure Period will be extended for sixty (60) additional days, but in no event will the Cure Period be longer than ninety (90) days in the aggregate, subject to extensions as a result of a *force majeure*, which shall mean an event that is beyond the control of the Borrower or the Guarantors and is of the kind and/or nature of a riot, war, act of enemies (including terrorism within the continental United States), national emergency, fire, flood, act of God, severe weather conditions, material shortage or area or industry wide strike that renders it substantially impossible for the Borrower to cure such failure, or

(c) the occurrence of a Prohibited Transfer.

If an Event of Default occurs, Mortgagee may, at its option, declare the whole of the Indebtedness to be immediately due and payable without further notice to Mortgagor, with interest thereon accruing from the date of such Event of Default until paid at the Default Rate.

15. FORECLOSURE; EXPENSE OF LITIGATION.

(a) Upon the occurrence and during the continuance of an Event of Default, Mortgagee will have the right to foreclose the lien of this Mortgage for such Indebtedness or part thereof and/or exercise any right, power, or remedy provided in this Mortgage or any of the other Loan Documents in accordance with the Illinois Mortgage Foreclosure Law (Chapter 735, Sections 5/15-1101 et seq., Illinois Compiled Statutes) (as may be amended from time to time, the

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“**Mortgage Foreclosure Law**”). In the event of a foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at such sale or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of such insurance policies.

(b) In any suit to foreclose the lien of this Mortgage, there will be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys’ fees, appraisers’ fees, outlays for documentary and expert evidence, stenographers’ charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Property. All expenditures and expenses of the nature mentioned in this **Section 15** and such other expenses and fees as may be incurred in the enforcement of Mortgagor’s obligations under this Mortgage, the protection of said Property, and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note, or the Property, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding will be immediately due and payable by Mortgagor, with interest thereon until paid at the Default Rate and will be secured by this Mortgage.

16. APPLICATION OF PROCEEDS OF FORECLOSURE SALE. The proceeds of any foreclosure sale of the Property will be distributed and applied in accordance with the Mortgage Foreclosure Law and, unless otherwise specified therein, in such order as Mortgagee may determine in its sole and absolute discretion.

17. APPOINTMENT OF RECEIVER. Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed must, upon petition by Mortgagee, appoint a receiver for the Property in accordance with the Mortgage Foreclosure Law. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver, and without regard to the value of the Property or whether the same is then occupied as a homestead or not and Mortgagee under this Mortgage or any other holder of any of the Note may be appointed as such receiver. Such receiver will have power to collect the rents, issues and profits of the Property (a) during the pendency of such foreclosure suit, (b) in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, and (c) during any further times when Mortgagor, but for the intervention of such receiver, would be entitled to collect such rents, issues and profits. Such receiver also will have all other powers and rights that may be necessary or are usual in such cases for the protection, possession, control, management, and operation of the Property during said period, including, to the extent permitted by law, the right to lease all or any portion of the Property for a term that extends beyond the time of such receiver’s possession without obtaining prior court approval of such Lease. The court from time to time may authorize the application of the net income received by the receiver in payment of (a) the Indebtedness, or by any decree foreclosing this Mortgage, or any tax, special assessment, or other lien which may be or become superior to the lien of this Mortgage or of such decree, provided

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such application is made prior to foreclosure sale, and (b) any deficiency upon a sale and deficiency.

18. MORTGAGEE'S RIGHT OF POSSESSION IN CASE OF DEFAULT. At any time after an Event of Default has occurred and remains continuing, Mortgagor must, upon demand of Mortgagee, surrender to Mortgagee possession of the Property. Mortgagee, in its discretion, may, with process of law, enter upon and take and maintain possession of all or any part of the Property, together with all documents, books, records, papers, and accounts relating thereto, and may exclude Mortgagor and its employees, agents or servants therefrom, and Mortgagee may then hold, operate, manage, and control the Property, either personally or by its agents. Mortgagee will have full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Property, including actions for the recovery of rent, actions in forcible detainer, and actions in distress for rent. Without limiting the generality of the foregoing, Mortgagee will have full power to:

- (a) cancel or terminate any Lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same;
- (b) elect to disaffirm any Lease or sublease which is then subordinate to the lien of this Mortgage;
- (c) extend or modify any then existing Leases and to enter into new Leases, which extensions, modifications, and Leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the Maturity Date and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, will be binding upon Mortgagor and all persons whose interests in the Property are subject to the lien of this Mortgage and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser;
- (d) make any repairs, renewals, replacements, alterations, additions, betterments, and improvements to the Property as Mortgagee deems are necessary;
- (e) insure and reinsure the Property and all risks incidental to Mortgagee's possession, operation and management thereof; and
- (f) receive all of such avails, rents, issues, and profits.

19. APPLICATION OF INCOME RECEIVED BY MORTGAGEE. Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it, will have full power to use and apply the avails, rents, issues, and profits of the Property to the payment of or on account of the following, in such order as Mortgagee may determine:

- (a) to the payment of the operating expenses of the Property, including cost of management and leasing thereof (which must include compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and must also include lease commissions

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and other compensation and expenses of seeking and procuring tenants and entering into Leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Property; and

(c) to the payment of any Indebtedness, including any deficiency which may result from any foreclosure sale.

20. COMPLIANCE WITH ILLINOIS MORTGAGE FORECLOSURE LAW.

(a) If any provision in this Mortgage is inconsistent with any provision of the Mortgage Foreclosure Law, provisions of the Mortgage Foreclosure Law will take precedence over the provisions of this Mortgage, but will not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Mortgage Foreclosure Law.

(b) If any provision of this Mortgage grants to Mortgagee (including Mortgagee acting as a mortgagee-in-possession) or a receiver appointed pursuant to the provisions of **Section 17** of this Mortgage 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 Mortgagee or in such receiver under the Mortgage Foreclosure Law in the absence of said provision, Mortgagee and such receiver will be vested with the powers, rights, and remedies granted in the Mortgage Foreclosure Law to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee which are of the type referred to in Section 5/15-1510 or 5/15-1512 of the Mortgage Foreclosure Law, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in this Mortgage, will be added to the Indebtedness and/or by the judgment of foreclosure.

21. RIGHTS CUMULATIVE. Each right, power, and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power, or remedy, express or implied, given now or hereafter existing under any of the Loan Documents or at law or in equity, and each and every right, power, and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power, or remedy will not be a waiver of the right to exercise at the same time or thereafter any other right, power, or remedy, and no delay or omission of Mortgagee in the exercise of any right, power, or remedy accruing under this Mortgage or arising otherwise will impair any such right, power, or remedy, or be construed to be a waiver of any Event of Default or acquiescence therein.

22. MORTGAGEE'S RIGHT OF INSPECTION. Mortgagee and its representatives will have the right to inspect the Property and the books and records with respect thereto at all reasonable times upon not less than twenty-four (24) hours prior notice to Mortgagor, and access thereto, subject to the rights of tenants in possession, must be permitted for that purpose.

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23. RELEASE UPON PAYMENT AND DISCHARGE OF MORTGAGOR'S OBLIGATIONS. Mortgagee will release this Mortgage and the lien of this Mortgage by proper instrument upon payment and discharge of all Indebtedness, including payment of all reasonable expenses incurred by Mortgagee in connection with the execution of such release.

24. NOTICES. Any notices, communications, and waivers under this Mortgage must be in writing and must be (a) delivered in person, (b) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (c) sent by overnight express carrier, addressed in each case as follows:

To Mortgagee: **CIBC BANK USA**
120 South LaSalle Street
Chicago, Illinois 60603
Attention: Matthew Sessa, Managing Director

With a copy to: **BARNES & THORNBURG LLP**
One North Wacker Drive, Suite 4400
Chicago, Illinois 60606
Attention: Jeffrey P. Gray

To Mortgagor: **STATE-WALTON LLC**
520 West Erie Street, Suite 430E
Chicago, Illinois 60605
Attention: Jaime J. Javors

With copy to: **DUANE MORRIS LLP**
190 South LaSalle Street, Suite 3700
Chicago, Illinois 60603
Attention: Daniel Kohn

or to any other address as to any of the parties hereto, as such party designates in a written notice to the other party hereto. All notices sent pursuant to the terms of this Section 24 will be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next Business Day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the third (3rd) Business Day after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service.

25. WAIVER OF RIGHTS. Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner claim or take any advantage of, any stay, exemption, or extension law or any so-called "Moratorium Law" now or at any time hereafter in force providing for the valuation or appraisal of the Property, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to any decree, judgment, or order of any court of competent jurisdiction; or, after such sale or sales, claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement of this Mortgage; and without limiting the foregoing:

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(a) Mortgagor hereby expressly waives any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, it being the intent of this Mortgage that any and all such rights of reinstatement and redemption of Mortgagor and of all other persons are and will be deemed to be hereby waived to the full extent permitted by the provisions of Illinois Compiled Statutes 735 ILCS 5/15-1601 or other applicable law or replacement statutes;

(b) Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay, or impede the execution of any right, power, or remedy herein or otherwise granted or delegated to Mortgagee but will suffer and permit the execution of every such right, power, and remedy as though no such law or laws had been made or enacted; and

(c) if Mortgagor is a trustee, Mortgagor represents that the provisions of this **Section 25** (including the waiver of reinstatement and redemption rights) were made at the express direction of Mortgagor's beneficiaries and the persons having the power of direction over Mortgagor, and are made on behalf of the trust estate of Mortgagor and all beneficiaries of Mortgagor, as well as all other persons mentioned above.

26. CONTESTS. Notwithstanding anything to the contrary herein contained, Mortgagor will have the right to contest by appropriate legal proceedings diligently prosecuted any Taxes imposed or assessed upon the Property or which may be or become a lien thereon and any mechanics', materialmen's or other liens or claims for lien upon the Property (each, a "**Contested Lien**"), and no Contested Lien will constitute an Event of Default under this Mortgage, if, but only if:

(a) Mortgagor must forthwith give notice of any Contested Lien to Mortgagee at the time the same is asserted;

(b) Mortgagor must either pay under protest or deposit with Mortgagee the full amount (the "**Lien Amount**") of such Contested Lien, together with such amount as Mortgagee may reasonably estimate as interest or penalties which might arise during the period of contest; provided that in lieu of such payment Mortgagor may furnish (i) to Mortgagee a bond in such amount and form, and issued by a bond company, as may be satisfactory to Mortgagee, or (ii) to the Title Company such security or indemnity as the Title Company requires to induce the Title Company to issue an endorsement to the Title Policy insuring over the exception created by such Contested Lien;

(c) Mortgagor must diligently prosecute the contest of any Contested Lien by appropriate legal proceedings having the effect of staying the foreclosure or forfeiture of the Property, and must permit Mortgagee to be represented in any such contest and must pay all expenses incurred, in so doing, including fees and expenses of Mortgagee's counsel (all of which will constitute so much additional Indebtedness bearing interest at the Default Rate until paid, and payable upon demand);

(d) Mortgagor must pay each such Contested Lien and all Lien Amounts together with interest and penalties thereon (i) if and to the extent that any such Contested Lien is determined adverse to Mortgagor, or (ii) forthwith upon demand by Mortgagee if, in the opinion

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of Mortgagee, and notwithstanding any such contest, the Property are in jeopardy or in danger of being forfeited or foreclosed; provided that if Mortgagor fails so to do, Mortgagee may, but will not be required to, pay all such Contested Liens and Lien Amounts and interest and penalties thereon and such other sums as may be necessary in the judgment of Mortgagee to obtain the release and discharge of such liens; and any amount expended by Mortgagee in so doing will be so much additional Indebtedness bearing interest at the Default Rate until paid, and payable upon demand; and provided further that Mortgagee may in such case use and apply monies deposited as provided in subsection (b) above and may demand payment upon any bond or title indemnity furnished as aforesaid.

27. EXPENSES RELATING TO NOTES AND MORTGAGE.

a) Mortgagor must pay all expenses, charges, costs and fees relating to the Loan or necessitated by the terms of the Loan Agreement, the Note, this Mortgage, or any of the other Loan Documents, including without limitation, Mortgagee's reasonable attorneys' fees in connection with the negotiation, documentation, administration, servicing, and enforcement of the Note, this Mortgage, and the other Loan Documents, all filing, registration and recording fees, all other expenses incident to the execution and acknowledgment of this Mortgage and the other Loan Documents, and all federal, state, county, and municipal taxes, and other taxes (provided Mortgagor will not be required to pay any income or franchise taxes of Mortgagee or any Lender), duties, imposts, assessments, and charges arising out of or in connection with the execution and delivery of the Note and this Mortgage. Mortgagor recognizes that, during the term of this Mortgage, Mortgagee:

(i) may be involved in court or administrative proceedings, including, without restricting the foregoing, foreclosure, probate, bankruptcy, creditors' arrangements, insolvency, housing authority, and pollution control proceedings of any kind, to which Mortgagee becomes a party by reason of the Loan Documents or in which the Loan Documents or the Property are involved directly or indirectly;

(ii) may make preparations following the occurrence of an Event of Default under this Mortgage for the commencement of any suit for the foreclosure of this Mortgage, which may or may not be actually commenced;

(iii) may make preparations following the occurrence of an Event of Default under this Mortgage for, and do work in connection with, Mortgagee's taking possession of and managing the Property, which event may or may not actually occur;

(iv) may make preparations for and commence other private or public actions to remedy an Event of Default under this Mortgage, which other actions may or may not be actually commenced;

(v) may enter into negotiations with Mortgagor or any of its agents, employees or attorneys in connection with the existence or curing of any Event of Default under this Mortgage, the sale of the Property, the assumption of liability for any of the Indebtedness or the transfer of the Property in lieu of foreclosure; or

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(vi) may enter into negotiations with Mortgagor or any of its agents, employees, or attorneys pertaining to Mortgagee's approval of actions taken or proposed to be taken by Mortgagor which approval is required by the terms of this Mortgage.

(b) All expenses, charges, costs, and fees described in this **Section 27** will be so much additional Indebtedness, will bear interest from the date so incurred until paid at the Default Rate, and must be paid, together with said interest, by Mortgagor forthwith upon demand.

28. STATEMENT OF INDEBTEDNESS. Mortgagor, within ten (10) days after being so requested by Mortgagee (who may not make such request more than once during any calendar year unless an Event of Default then exists), must furnish a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage, the date to which interest has been paid, and stating either that no offsets or defenses exist against such debt or, if such offsets or defenses are alleged to exist, the nature thereof.

29. FURTHER INSTRUMENTS. Upon request of Mortgagee, Mortgagor must execute, acknowledge, and deliver all such additional instruments and further assurances of title and must do or cause to be done all such further acts and things as may reasonably be necessary fully to effectuate the intent of this Mortgage and of the other Loan Documents.

30. ADDITIONAL INDEBTEDNESS SECURED. All persons and entities with any interest in the Property or about to acquire any such interest should be aware that this Mortgage secures more than the stated principal amount of the Note and interest thereon; this Mortgage secures any and all other amounts which may become due under the Note, any of the other Loan Documents, or any other document or instrument evidencing, securing, or otherwise affecting the Indebtedness, including, without limitation, any and all amounts expended by Mortgagee to operate, manage, or maintain the Property or to otherwise protect the Property or the lien of this Mortgage.

31. INDEMNITY. Mortgagor hereby covenants and agrees that no liability will be asserted or enforced against Mortgagee in the exercise of the rights and powers granted to Mortgagee in this Mortgage, and Mortgagor hereby expressly waives and releases any such liability, except to the extent resulting from the gross negligence or willful misconduct of Mortgagee. Mortgagor must indemnify and save Mortgagee harmless from and against any and all liabilities, obligations, losses, damages, claims, costs, and expenses, including reasonable attorneys' fees and court costs (collectively, "**Claims**"), of whatever kind or nature which may be imposed on, incurred by or asserted against Mortgagee at any time by any third party which relate to or arise from: (a) any suit or proceeding (including probate and bankruptcy proceedings), or the threat thereof, in or to which Mortgagee may or does become a party, either as plaintiff or as a defendant, by reason of this Mortgage or for the purpose of protecting the lien of this Mortgage; (b) the offer for sale or sale of all or any portion of the Property; and (c) the ownership, leasing, use, operation, or maintenance of the Property, if such Claims relate to or arise from actions taken prior to the surrender of possession of the Property to Mortgagee in accordance with the terms of this Mortgage; provided, however, that Mortgagor will not be obligated to indemnify or hold Mortgagee harmless from and against any Claims directly arising from the gross negligence or willful misconduct of Mortgagee. All costs provided for in this Mortgage and paid for by Mortgagee will be so much additional Indebtedness and will become immediately due and payable

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upon demand by Mortgagee and with interest thereon from the date incurred by Mortgagee until paid at the Default Rate.

32. SUBORDINATION OF PROPERTY MANAGER'S LIEN. Any Property Management Contract for the Property entered into hereafter with a property manager must contain a provision whereby the property manager agrees that any and all mechanics' lien rights that the property manager or anyone claiming by, through, or under the property manager may have in the Property will be subject and subordinate to the lien of this Mortgage and must provide that Mortgagee may terminate such agreement, without penalty or cost, at any time after the occurrence and during the continuance of an Event of Default under this Mortgage. Such Property Management Contract or a short form thereof, at Mortgagee's request, must be recorded with the Recorder of Deeds of the county where the Property are located. In addition, if the Property Management Contract in existence as of the date of this Mortgage does not contain a subordination provision, Mortgagor must cause the property manager under such agreement to enter into a subordination of the Property Management Contract with Mortgagee, in recordable form, whereby such property manager subordinates present and future lien rights and those of any party claiming by, through or under such property manager to the lien of this Mortgage.

33. COMPLIANCE WITH ENVIRONMENTAL LAWS. Concurrently herewith Mortgagor and the Guarantors have jointly and severally executed and delivered to Mortgagee that certain Environmental Indemnity Agreement dated as of the date of this Mortgage (the "**Indemnity**") pursuant to which Mortgagor and the Guarantors have jointly and severally indemnified Mortgagee for environmental matters concerning the Property, as more particularly described therein. The provisions of the Indemnity are hereby incorporated herein and this Mortgage secures the obligations of Mortgagor thereunder.

34. MISCELLANEOUS.

(a) **Successors and Assigns.** This Mortgage and all provisions of this Mortgage are binding upon and enforceable against Mortgagor and its assigns and other successors. This Mortgage and all provisions of this Mortgage inures to the benefit of Mortgagee, its successors and assigns, and any holder or holders, from time to time, of the Note.

(b) **Invalidity of Provisions; Governing Law.** In the event that any provision of this Mortgage is deemed to be invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, Mortgagor and Mortgagee will negotiate an equitable adjustment in the provisions of the same in order to effect, to the maximum extent permitted by law, the purpose of this Mortgage and the validity and enforceability of the remaining provisions, or portions or applications thereof, will not be affected thereby and will remain in full force and effect. This Mortgage is to be construed in accordance with and governed by the laws of the State of Illinois.

(c) **Municipal Requirements.** Mortgagor must not by act or omission permit any building or other improvement on Property not subject to the lien of this Mortgage to rely on the Property or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Property or any interest therein to be so used. Similarly, no building or other

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improvement on the Property will rely on any Property not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this subsection will be void.

(d) **Rights of Tenants.** Mortgagee will have the right and option to commence a civil action to foreclose this Mortgage and to obtain a decree of foreclosure and sale subject to the rights of any Tenant or Tenants of the Property having an interest in the Property prior to that of Mortgagee. The failure to join any such tenant or tenants of the Property as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights must not be asserted by Mortgagor as a defense in any civil action instituted to collect the Indebtedness, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Property, any statute or rule of law at any time existing to the contrary notwithstanding.

(e) **Option of Mortgagee to Subordinate.** At the option of Mortgagee, this Mortgage will become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any condemnation or eminent domain award) to any and all Leases of all or any part of the Property upon the execution by Mortgagee of a unilateral declaration to that effect and the recording thereof in the Office of the Recorder of Deeds in and for the county wherein the Property are situated.

(f) **Mortgagee-in-Possession.** Nothing herein contained will be construed as constituting Mortgagee a mortgagee-in-possession in the absence of the actual taking of possession of the Property by Mortgagee pursuant to this Mortgage.

(g) **Relationship of Mortgagee and Mortgagor.** Mortgagee will in no event be construed for any purpose to be a partner, joint venturer, agent, or associate of Mortgagor or of any lessee, operator, concessionaire, or licensee of Mortgagor in the conduct of their respective businesses, and, without limiting the foregoing, Mortgagee will not be deemed to be such partner, joint venturer, agent, or associate on account of Mortgagee becoming a mortgagee-in-possession or exercising any rights pursuant to this Mortgage, any of the other Loan Documents, or otherwise. The relationship of Mortgagor and Mortgagee under this Mortgage is solely that of debtor/creditor.

(h) **Time of the Essence.** Time is of the essence of the payment by Mortgagor of all amounts due and owing to Mortgagee under the Note and the other Loan Documents and the performance and observance by Mortgagor of all terms, conditions, obligations, and agreements contained in this Mortgage and the other Loan Documents.

(i) **No Merger.** The parties hereto intend that this Mortgage and the lien of this Mortgage will not merge in fee simple title to the Property, and if Mortgagee acquires any additional or other interest in or to the Property or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien of this Mortgage will not merge in the fee simple title and this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

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(j) **Maximum Indebtedness.** Notwithstanding anything contained herein to the contrary, in no event will the Indebtedness exceed an amount equal to **THIRTEEN MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS (\$13,600,000.00)**; provided, however, in no event will Mortgagee be obligated to advance funds in excess of the face amount of the Note.

(k) **Consent to Jurisdiction.** TO INDUCE MORTGAGEE TO ACCEPT THE NOTE, MORTGAGOR IRREVOCABLY AGREES THAT, SUBJECT TO MORTGAGEE'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THE NOTE AND THIS MORTGAGE WILL BE LITIGATED IN COURTS HAVING SITUS IN CHICAGO, ILLINOIS. MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN CHICAGO, ILLINOIS, WAIVES PERSONAL SERVICE OF PROCESS UPON MORTGAGOR, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO MORTGAGOR AT THE ADDRESS STATED HEREIN AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

(l) **Waiver of Jury Trial.** MORTGAGOR AND MORTGAGEE (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (A) UNDER THIS MORTGAGE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT, OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS MORTGAGE, OR (B) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. MORTGAGOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST MORTGAGEE OR ANY OTHER PERSON INDEMNIFIED UNDER THIS MORTGAGE ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES.

(m) **Complete Agreement.** This Mortgage, the Note, and the other Loan Documents constitute the complete agreement between the parties with respect to the subject matter of this Mortgage and the Loan Documents may not be modified, altered or amended except by an agreement in writing signed by both Mortgagor and Mortgagee.

[Remainder of Page Intentionally Left Blank—Signature Page Follows]

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EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

The leasehold estate created by the instrument herein referred to as the lease, executed by: The Northern Trust Company, John F. Cuneo, Jr. and Frank C. Cuneo, as Co-Trustees under the Last Will and Testament of Frank Cuneo, deceased, as lessor, and LaSalle Bank National Association, as successor Trustee to American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated June 1, 1989 and known as Trust Number 108479-03, as lessee, dated October 30, 1989, which a Memorandum of Ground Lease Agreement was recorded November 2, 1989, which lease demises the following described land for a term of years beginning October 30, 1989 and ending December 31, 2063. First Amendment to Ground Lease Agreement dated May 27, 1992 extending the term to December, 2068. Second Amendment to Ground Lease Agreement dated as of March 12, 2003. Third Amendment to Lease dated December 1, 2014 extending the term time to December 31, 2098.

Parcel 1:

The North 14 and 2/3rds feet of Lot 3 and all of Lot 2 in Raskopf and Others Subdivision of the South 1/2 of Block 9 in Canal Trustees' subdivision of the South Fractional 1/4 of Section 3, Township 39 North, Range 14, East of the Third Principal Meridian,

Also

Lots 4 and 5 in the Subdivision of the North 1/2 of Block 9 in Canal Trustee's Subdivision of the South Fractional 1/4 of Section 3, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The South 40.2 feet of Lot 3 (except the East 27 feet 4 inches thereof) in Roskopf and Others Subdivision of the South 1/2 of Block 9 in Canal Trustees' Subdivision of the South Fractional 1/4 of Section 3, Township 39 North, Range 14, East of the Third Principal Meridian, (excepting from said premises any portion thereof, if any, within the North 14 2/3 feet of said Lot 3) in Cook County, Illinois.

Parcel 3:

Lot 1 in Roskopf and Others Subdivision of the South 1/2 of Block 9 in Canal Trustees' Subdivision of the South Fractional 1/4 of Section 3, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

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PROPERTY ADDRESS OF REAL ESTATE:

933-945 N. State Street, Chicago, IL 60610

PERMANENT TAX INDEX NUMBERS:

17-03-206-002-0000

17-03-206-015-0000

Property of Cook County Clerk's Office

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Exhibit B

Ground Lease

To be inserted

[Ground Lease intentionally not recorded]

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EXHIBIT B

PERMITTED EXCEPTIONS

1. General real estate taxes not yet due and payable.
2. Exceptions contained on Pro Forma Loan Policy No. CCHI2208192LD issued by Chicago Title Insurance Company as of the date hereof.

Property of Cook County Clerk's Office