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Doc#: 2329229225 Fee: \$107.00
Karen A. Yarbrough
Cook County Clerk
Date: 10/19/2023 03:06 PM Pg: 1 of 44

Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Report Mortgage Fraud
844-768-1713

The property identified as:

PIN: 16-34-210-002-0000 VOL 580

Address:

Street: 3348 South Pulaski Road

Street line 2:

City: Chicago

16-34-002-0000 VOL 580

16-34-801-017-0000 VOL 580

16-34-201-007-0000 VOL 580

State: IL

ZIP Code: 60632

Lender: Life Insurance Company

Borrower: LBA NCC2-Company XII, LLC

Loan / Mortgage Amount: \$62,500,000.00

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: F4951EDA-160F-464B-9492-017E49B317C1

Execution date: 10/11/2023

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Property of Cook County Clerk

This instrument was prepared by and upon recording should be returned to:

McCarter & English, LLP
Four Gateway Center
100 Mulberry Street
Newark, NJ 07102

Attn: Jeffrey A. Petit, Esq.

pin: 16-34-002-0000 VOL 580 .. pin: 16-34-210-008-0000 VOL 580

pin: 16-34-801-017-0000 VOL 580 ..

pin: 16-34-210-007-0000 VOL 580

MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage") is made and executed October 11, 2023, by **LBA NCC2-COMPANY XII, LLC**, a Delaware limited liability company ("Borrower"), whose mailing address is 347 Michelson Drive, Suite 200, Irvine, California 92612, to, in favor of and for the benefit of **STATE FARM LIFE INSURANCE COMPANY**, an Illinois corporation, its successors or assigns ("Lender"), whose mailing address is Attn: Law Department – Investments, Loan # 15080, One State Farm Plaza, Bloomington, Illinois 61710, and pertains to the real estate described on Exhibit A attached hereto and made a part hereof (the "Real Estate").

ARTICLE ONE RECITALS

1.1 Note.

Borrower, **LBA NCC-COMPANY XXXII, LLC**, a Delaware limited liability company ("LBA 32") and **LBA NCC-COMPANY XXXIII, LLC**, a Delaware limited liability company ("LBA 33") and together with Borrower and **LBA 32**, collectively, "Borrowers") have executed and delivered to Lender a certain Promissory Note (the "Note") of even date herewith. In the

Loan No. 15080

1187307
RECORDING REQUESTED BY
FIRST AMERICAN TITLE CO.
NATIONAL COMMERCIAL SERVICES

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Note, Borrowers, jointly and severally, promise to pay to the order of Lender the principal sum of Sixty-Two Million Five Hundred Thousand and 00/100 Dollars (\$62,500,000.00) (the "Loan"). From the date hereof, the Loan shall be repaid with interest thereon, in monthly installments as set forth in the Note, and the entire unpaid principal balance and all accrued interest thereon shall be due and payable on November 1, 2033 (the "Maturity Date"). The terms and provisions of the Note are by this reference incorporated herein and made a part hereof, and capitalized terms used but not defined herein shall have the meanings attributed to them in the Note.

1.2 Indebtedness.

As used herein, the term "Indebtedness" means (a) the indebtedness evidenced by the Note, including principal, interest and prepayment premium, if any; and (b) all other sums which may at any time be due, owing or required to be paid under the Note, this Mortgage and the other Loan Documents (as defined in Section 1.3) including, without limitation, sums owing from or required to be paid by Borrower as a result of the breach or non-performance of any of the Obligations (as defined in ARTICLE Two), regardless of whether Borrower is personally liable for any such payment.

1.3 Loan Documents.

In addition to this Mortgage and the Note, there have been executed and delivered to and in favor of Lender certain other loan documents all of even date with the Note (the Note, this Mortgage, a Deed of Trust, Security Agreement and Fixture Filing executed by LBA 32, a Mortgage, Security Agreement and Fixture Filing executed by LBA 33, and all other documents and instruments, whether now or hereafter existing, which secure or guarantee payment of the Note or are otherwise executed in connection with the Loan, as the same may hereafter be amended, modified, supplemented or replaced from time to time, are collectively referred to herein as the "Loan Documents"). The Loan Documents include, without limitation, a guaranty (whether one or more and as amended, modified, supplemented or replaced from time to time, the "Guaranty") executed by LBA NC CORE INDUSTRIAL, L.P., a Delaware limited partnership (whether one or more and together with any future signatories of the Guaranty, the "Guarantor") of even date herewith.

ARTICLE TWO THE GRANT

In order to secure (i) the payment of the Indebtedness; and (ii) the performance of any of the terms, provisions, covenants, agreements, representations, warranties, certifications and obligations contained herein or under the other Loan Documents (collectively, the "Obligations"), regardless of whether Borrower is personally liable for such performance and observance, and in consideration of the sum of Ten and No/100 Dollars (\$10.00) in hand paid by Lender to Borrower, the Recitals hereinabove stated in ARTICLE One and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby irrevocably and unconditionally grants, bargains, sells, assigns, warrants, releases, aliens,

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transfers, conveys and mortgages to Lender and its successors and assigns a present and continuing lien upon and security interest in and to all of the following rights, interests, claims and property (collectively, the "Secured Property"):

- (a) all the Real Estate;
- (b) all buildings, structures and other improvements now or hereafter constructed, erected, installed, placed or situated upon the Real Estate (collectively, the "Improvements");
- (c) all estate, claim, demand, right, title and interest of Borrower now owned or hereafter acquired, including, without limitation, any after-acquired title, franchise, license, remainder or reversion, in and to (i) any land or vaults lying within the right-of-way of any street, avenue, way, passage, highway or alley, open or proposed, vacated or otherwise, adjoining the Real Estate; (ii) any and all alleys, sidewalks, streets, avenues, strips and gores of land adjacent, belonging or appertaining to the Real Estate and Improvements; (iii) all rights of ingress and egress to and from the Real Estate and all adjoining property; (iv) storm and sanitary sewer, water, gas, electric, railway, telephone and all other utility services relating to the Real Estate and Improvements; (v) all land use, zoning, developmental rights and approvals, air rights, water, water rights, water stock, gas, oil, minerals, coal and other substances of any kind or character underlying or relating to the Real Estate or any part thereof; and (vi) each and all of the tenements, hereditaments, easements, appurtenances, other rights, liberties, reservations, allowances and privileges relating to the Real Estate or the Improvements or in any way now or hereafter appertaining thereto, including homestead and any other claim at law or in equity (collectively, the "Appurtenances");
- (d) all leasehold estates and the right, title and interest of Borrower in, to and under any and all leases, subleases, management agreements, arrangements, concessions or agreements, written or oral, relating to the use and occupancy of the Real Estate and Improvements or any portion thereof, now or hereafter existing or entered into together with all extensions, renewals, amendments, modifications, replacements and substitutions therefor (individually, a "Lease" and collectively, the "Leases");
- (e) all rents, issues, profits, proceeds, income, revenues, royalties, advantages, avails, claims against guarantors, security and other deposits (whether in the form of cash, letters of credit or other forms), advance rentals and any and all other payments or benefits now or hereafter derived, directly or indirectly, from the Real Estate and Improvements, whether under the Leases or otherwise (collectively, the "Rents"); subject, however, to the right, power and authority granted Borrower in the Assignment of Rents and Leases executed by Borrower to and in favor of Lender of even date herewith to collect and apply the Rents as provided therein;
- (f) all right, title and interest of Borrower in and to any and all contracts, written or oral, express or implied, now existing or hereafter entered into or arising, in any manner related to the improvement, use, operation, sale, conversion or other disposition of any interest in the Secured Property, including, without limitation, all options to purchase or lease the Real Estate or Improvements or any portion thereof or interest therein, or any other rights,

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interests or greater estates in the rights and properties comprising the Secured Property, now owned or hereafter acquired by Borrower (collectively, the "Contract Rights");

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

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

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

(j) all Tax and Insurance Deposits (as defined in Section 3.3);

(k) all of Borrower's right, power or privilege to further hypothecate or encumber all or any portion of the property, rights and interests described in this ARTICLE Two as security for any debt or obligation, it being intended by this provision to divest Borrower of the right, power and privilege to hypothecate or encumber, or to grant a mortgage upon or security interest in any of the property hypothecated in or encumbered by this Mortgage, as security for the payment of any debt or performance of any obligation without Lender's prior written consent (collectively, the "Right to Encumber"); and

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

Borrower agrees that, without the necessity of any further act of Borrower or Lender, the lien of and the security interest created in and by this Mortgage shall automatically extend to and include any and all renewals, replacements, substitutions, accessions, products or additions to and proceeds of the Secured Property.

TO HAVE AND TO HOLD the Secured Property unto Lender, its successors and assigns, forever, free from all rights and benefits under and by virtue of any homestead exemption laws or similar laws of the state or other jurisdiction in which the Secured Property is located (the "State") (which rights and benefits are hereby expressly released and waived) for the uses and purposes herein set forth.

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BORROWER hereby covenants with and warrants to Lender that at the execution and delivery hereof, Borrower owns the Secured Property and has a good and indefeasible estate therein in fee simple; that the Secured Property is free from all encumbrances whatsoever (and any claim of any other Person (as defined below) thereto), other than (1) those encumbrances set forth on Exhibit B attached hereto and made a part hereof, and (2) the liens and security interests created by the Loan Documents (collectively, the "**Permitted Encumbrances**"); that Borrower has good and lawful right to sell, convey, mortgage and encumber the Secured Property; and that Borrower and its successors and assigns shall forever warrant and defend the title to the Secured Property against all claims and demands whatsoever. As used herein, "**Person**" means any natural person, corporation, limited liability company, partnership, firm, association, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity.

PROVIDED, HOWEVER, that if and when Borrower has paid all of the Indebtedness and has strictly performed and observed all of the agreements, terms, conditions, provisions and warranties contained in this Mortgage and in all of the other Loan Documents, the estate, right, title and interest of Lender in and to the Secured Property shall cease and shall be released at the cost of Borrower, but otherwise shall remain in full force and effect.

ARTICLE THREE GENERAL AGREEMENTS

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

3.1 Recitals.

The recitals set forth above are true and correct and are material provisions of this Mortgage.

3.2 Payment of Indebtedness.

Borrower shall pay promptly the Indebtedness at the times and in the manner provided in the Loan Documents. All such sums payable by Borrower shall be paid without demand, counterclaim, offset, deduction or defense (other than the defense of payment). Borrower hereby waives all rights now or hereafter conferred by statute or otherwise to any such demand, counterclaim, offset, deduction or defense (other than the defense of payment).

3.3 Other Payments.

(a) In addition to and concurrent with the monthly installment payments required by the Note, Borrower shall pay to Lender (or its designee) the following sums on a monthly basis until the Indebtedness is fully paid (collectively, the "**Tax and Insurance Deposits**");

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(i) a sum equal to one-twelfth (1/12th) of the annual Taxes (as defined in Section 3.5) next due on the Secured Property, all as reasonably estimated by Lender (the "Tax Deposits"); and

(ii) a sum equal to one-twelfth (1/12th) of the annual premium or premiums next payable for the insurance herein required to be maintained on or with respect to the Secured Property (collectively, "Insurance Premiums"), all as demonstrated to or estimated by Lender (the "Insurance Deposits").

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

(c) All such Tax and Insurance Deposits:

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

(ii) shall be applied by Lender for the purposes for which made (as herein provided), subject, however, to the security interest granted Lender therein pursuant to ARTICLE Two; and

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

(d) Provided that no Event of Default (as defined in Section 4.1) exists and there are sufficient funds in the Tax and Insurance Deposits, Lender agrees to make the payment of the Taxes or Insurance Premiums with reasonable promptness following its receipt of appropriate tax and/or insurance bills therefor, or, alternatively, upon presentation by Borrower of receipted (i.e. paid) tax and/or insurance bills therefor, Lender shall reimburse Borrower for such Taxes and Insurance Premiums payments made by Borrower.

(e) Upon the occurrence of an Event of Default, Lender may, at its option, without being required to do so, apply any Tax and Insurance Deposits on hand to the payment of any of the Indebtedness, in such order and manner as Lender may elect. When the Indebtedness has been fully paid, any remaining Tax and Insurance Deposits shall be paid to Borrower.

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

Borrower shall and hereby agrees to:

(a) promptly repair, restore, replace or rebuild any portion of the Improvements which may become damaged or destroyed, provided the proceeds of insurance are made available to Borrower pursuant to Section 3.10 hereof, with all replacements being at least

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equal in quality and condition as existed prior thereto, free from any security interest therein, encumbrances thereon or reservation of title thereto;

(b) keep the Improvements in good condition and repair, without waste and free from mechanics', materialmen's or similar or other liens or claims of lien, in each case, subject to Borrower's right to contest liens pursuant to Section 3.5 below;

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

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

(e) make no material alterations in or to the Improvements (non-structural alterations of up to \$50,000 shall not be considered material alterations), except as required in subsection (d) hereof or otherwise with the prior written consent of Lender and in conformity with all applicable laws; provided, however, upon written notice to Lender, Borrower may make (i) such alterations required by the terms of any Lease provided that Lender has previously reviewed and approved such Lease and (ii) non-structural repairs (including the roof of any building constituting a part of any improvements);

(f) not suffer nor permit any material change in the use of the Improvements without the prior written consent of Lender;

(g) pay the operating costs of the Improvements before such operating costs either (i) become delinquent or (ii) are subject to interest penalties thereon;

(h) not initiate nor acquiesce in any zoning reclassification with respect to the Secured Property without the prior written consent of Lender;

(i) provide, improve, grade, surface and thereafter maintain, clean, repair and, to the extent there is existing lighting, adequately light all parking areas upon the Real Estate, such parking areas being of sufficient size to accommodate the greater of the amount of standard-size vehicles required (i) by law, ordinance or regulation; or (ii) by the terms of any Leases, together with any sidewalks, aisles, streets, driveways and sidewalk cuts and sufficient paved areas for ingress, egress and rights-of-way to and from the adjacent thoroughfares necessary or desirable for the use thereof; and

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

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3.5 Property Taxes and Contest of Liens.

Notwithstanding the Tax and Insurance Deposits required by Section 3.3, Borrower shall be responsible for the payment, prior to delinquency and before any penalty attaches, of all real estate and personal property taxes and assessments (general or special), water charges, sewer charges and any other charges, fees, taxes, claims, levies, charges, expenses, liens and assessments, ordinary or extraordinary, governmental or nongovernmental, statutory or otherwise, that may be levied, assessed or asserted against the Secured Property or any part thereof or interest therein (collectively, "**Taxes**"). Notwithstanding anything contained herein to the contrary, Borrower may, in good faith and with reasonable diligence, contest the validity or amount of any Taxes as well as any mechanics', materialmen's or other liens or claims of lien upon the Secured Property (collectively, the "**Contested Liens**"), provided that:

(a) such contest shall have the effect of preventing the collection of the Contested Liens and the sale or forfeiture of the Secured Property or any part thereof or interest therein to satisfy the same or, if the Contested Liens must be paid in part or in whole as a condition to such contest Borrower shall have paid such necessary amount as required by applicable law;

(b) Borrower shall first notify Lender in writing of the intention of Borrower to contest the same (i) before any Contested Liens have been increased by any interest, penalties or costs or (ii) promptly after commencement of such contest, whichever occurs first; and

(c) If such contest does not require the payment of the applicable Taxes or other amounts constituting the Contested Liens, and Borrower has not made such payments, Lender may, in its sole discretion, require Borrower to deposit with Lender an amount equal to 100% of the Contested Liens, including any interest assessed thereon, pending resolution of such contest; provided that no such deposit shall be required if the full amount of such Contested Liens have been paid to Lender as Tax Deposits.

3.6 Tax and Lien Payments by Lender.

(a) Upon the failure of Borrower to pay the Tax Deposits as required in Section 3.3 or, in the event said payments are waived by Lender, to pay the Taxes required to be paid in Section 3.5 above (unless Borrower is contesting the Taxes as provided in Section 3.5 above), Lender is authorized, in its sole discretion, to make any payment of Taxes in accordance with any tax bill or statement from the appropriate public office without inquiry into the accuracy or validity of any Taxes, sales, forfeiture of title or claim relating thereto.

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

(c) All such payments authorized by this Section 3.6 that are not promptly reimbursed by Borrower shall constitute additional indebtedness and shall be immediately due

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and payable by Borrower to Lender upon demand with interest at the Default Rate (as defined in the Note) from the date of such payment.

3.7 Insurance.

(a) Borrower shall insure and keep insured the Secured Property and each and every part thereof with the following insurance policies:

(i) Property insurance insuring against all risks of loss to the Secured Property customarily covered by "Causes of Loss—Special Form" policies, including the perils of acts of terrorism, wind/hail and named windstorm, in an amount at least equal to one hundred percent (100%) of the replacement cost value of the Improvements, without deduction for physical depreciation, with (A) a maximum deductible of \$250,000 (provided that wind/hail losses may have a maximum deductible of three percent (3%) of the total insurable value of the Improvements and named windstorm losses may have a maximum deductible of five percent (5%) of the total insurable value of the Improvements) and (B) a provision that claims be settled on a replacement cost valuation basis;

(ii) Equipment breakdown insurance in an amount equal to one hundred percent (100%) of the replacement cost value of the Improvements, if any steam boiler, machinery or other pressure-fired vessel is in operation at the Secured Property, (A) with a maximum deductible of \$250,000 and (B) provide that claims will be settled on a replacement cost valuation basis. If coverage is provided via a separate policy than the coverage in clause (i) above, both policies shall include a joint loss agreement;

(iii) Flood insurance, if any Improvements are situated in an area now or hereafter designated by the Federal Emergency Management Agency as a "Special Flood Hazard Area" (Zone A or Zone V), in an amount equal to the greater of (A) an amount equal to one hundred percent (100%) of the replacement cost value of such Improvements or (B) the maximum limit of coverage available for the Secured Property under the National Flood Insurance Program, with a maximum deductible of \$100,000;

(iv) Earthquake insurance on any Improvements situated in an area now or hereafter with a seismic Scenario Upper Loss (SUL) of sixteen percent (16%) or greater, in an amount equal to one hundred percent (100%) of the replacement cost value of such Improvements with a maximum deductible of five percent (5%) of the total insurable value of the Improvements;

(v) Ordinance or law coverage in an amount equal to the following minimum percentages of the insurable replacement cost of the Improvements (A) one hundred percent (100%) for loss to the undamaged portion of the building, (B) ten percent (10%) for demolition cost, and (C) ten percent (10%) for increased cost of construction;

(vi) Rental value or business income insurance, including extra expense coverage, that provides coverage upon the occurrence of any of the perils in clauses (i), (ii), (iii) and (iv) above as applicable to the Secured Property in an amount equal to the total income or anticipated gross income from the Secured Property for a minimum of twelve (12)

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months with an extended period of indemnity endorsement for a period of at least one hundred eighty (180) days and a maximum deductible of \$250,000 or a seventy-two (72) hour waiting period;

(vii) Builder's risk insurance on any Improvements being constructed, added onto or altered by ten percent (10%) or more of the value of such Improvements. Coverage must be written on a "completed value form" in an amount equal to one hundred percent (100%) of the hard and soft costs of the project and (A) with a maximum deductible of \$250,000 (provided that wind/hail losses may have a maximum deductible of three percent (3%) of the replacement cost value of all Improvements and named windstorm losses may have a maximum deductible of five percent (5%) of the replacement cost value of all Improvements), (B) provide that claims will be settled on a replacement cost valuation basis, (C) include collapse during the course of construction as a covered peril, including for defective materials and methods and faulty design or workmanship), and (D) include coverage for delayed completion/opening. All Builder's Risk coverage terms and conditions are subject to Lender's approval and must meet all conditions of clauses (i) – (vi) above as applicable.

(viii) Commercial general liability insurance, including terrorism, for bodily injury, death and property damage and contractual liability in an amount of not less than the greater of (A) \$1,000,000 per occurrence and \$2,000,000 in the aggregate, per location or (B) the highest amount of coverage required to be carried by Borrower under the terms of any Major Lease or other contractual obligation, with a maximum deductible or self-insured retention of \$10,000;

(ix) Commercial automobile liability insurance, if the Secured Property involves the business use of any cars, trucks or vans, in an amount not less than a combined single limit of \$1,000,000 each accident to include any auto or at a minimum all owned and non-owned autos;

(x) Umbrella or excess liability insurance consistent with the terms of the coverage carried pursuant to clauses (viii) and (ix) in an amount of not less than the greater of (A) \$5,000,000 per occurrence, (B) the highest amount of coverage required to be carried by Borrower under the terms of any Major Lease or other contractual obligation, or (C) such higher amount as Lender may require based on the occupancy, use or known physical (including environmental) or legal characteristics of the Secured Property, with a maximum deductible or self-insured retention of \$10,000; and

(xi) Such other insurance coverage as may from time to time be required by Lender (A) by reason of changes to the occupancy, use or known physical (including environmental) or legal characteristics of the Secured Property or (B) consistent with Lender's practices applicable to mortgage loans secured by similar properties.

(b) All insurance policies required pursuant to Section 3.7(a) shall: (i) be in amounts and form to comply with all provisions of this Mortgage; (ii) be issued by companies satisfactory to Lender with a minimum A.M. Best Financial Strength rating of "A-" and Financial Size Category of "IX"; (iii) be for a policy term of not less than one year and paid in full at the beginning of such term; (iv) name Borrower (with proper legal name) as Named

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Insured, Additional Named Insured or Additional Insured; and (v) only contain exclusions to coverage that are reasonably acceptable to Lender.

(c) All insurance policies required pursuant to clauses (i)—(vii) of Section 3.7(a) shall include: (i) a standard non-contributory mortgagee's clause naming Lender as first mortgagee; (ii) lender's loss payable endorsement for rent loss or business interruption insurance; (iii) either an agreed amount endorsement (to avoid the operation of any coinsurance provisions) or a waiver of any coinsurance or similar provisions, and (iv) a provision requiring not less than ten (10) days' prior written notice to Lender of any nonrenewal or cancellation for non-payment of premium and not less than thirty (30) days' prior written notice of cancellation for any other reason.

(d) All insurance policies required pursuant to clauses (viii)—(x) of Section 3.7(a) shall: (i) name Lender as an additional insured, (ii) be written on an occurrence basis form, and (iii) require the carrier to endeavor to provide not less than ten (10) days' prior written notice to Lender of any nonrenewal or cancellation for non-payment of premium and not less than thirty (30) days' prior notice of cancellation for any other reason.

(e) The insurance policies required in Section 3.7(a) may be satisfied by individual policies covering only the Secured Property or by blanket policies covering the Secured Property and other locations. If blanket policies are utilized, then (i) coverage needs to be equivalent or better than coverage that would be provided on a scheduled policy, (ii) a statement of values must be provided in an electronic spreadsheet for all properties covered by the blanket property coverage limit located in the same county as the Secured Property, which shall include, at a minimum, information as to the city, state, and value for each coverage type for each location, (iii) any Margin Clause, Per Location Limitation of Liability provision or similar clause tying the property coverage limit to a reported value must not reduce coverage on the Secured Property to less than one hundred percent (100%) of its insurable replacement value, (iv) the full blanket limit(s) must be reinstated following any loss, (v) if a layered policy program is utilized, all layers must coordinate to eliminate any gaps in coverage, and (vi) coverage may only include properties owned by Borrower and its affiliates.

(f) The following evidence of the required property coverage shall be delivered to Lender at least fifteen (15) days prior to the current policy expiration: (i) a complete copy of the insurance policy, including all policy forms and endorsements; or (ii) an ACORD 28 (2003 version providing all of the rights and privileges of the policy), or a similar proprietary version. If (i) or (ii) cannot be provided prior to the current policy expiration, an ACORD 28 (Information Only version), or a similar proprietary version or an ACORD 75 Binder that includes all insurance requirements listed above, will be accepted temporarily until a complete copy of the policy or the required endorsement can be provided, but no later than the Binder expiration or ninety (90) days, whichever is earlier.

(g) The following evidence of the required liability coverage shall be delivered to Lender at least fifteen (15) days prior to the current policy expiration: (i) a complete copy of the insurance policy, including all policy forms and endorsements; or (ii) an ACORD 25 Certificate of Liability Insurance, in addition to the required Additional Insured endorsements. If (i) or (ii) cannot be provided prior to the current policy expiration, an ACORD 25 Certificate of

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Liability Insurance, or similar proprietary form or an ACORD 75 Binder that includes all insurance requirements above will be accepted temporarily until a complete copy of the policy or the required endorsements can be provided, but no later than the Binder expiration or ninety (90) days, whichever is earlier.

(h) If property or liability coverage is provided via a multi-year policy, new certificates of insurance must be provided annually during the interim years of the policy and must note all current coverage limits and/or changes to coverage on the Secured Property since policy inception.

3.8 Insurance Premium Payment by Lender; Insurance Proceeds.

(a) In the event Borrower fails to make the Insurance Deposits as required by Section 3.3, or if such Insurance Deposits have been waived, upon Lender's receipt of written notice (i) of an unpaid Insurance Premium; (ii) of a termination or cancellation of any required insurance policy; or (iii) that a required insurance policy is not to be renewed and Borrower fails to provide replacement coverage at least five (5) days prior to the termination of existing coverage, Lender may, at its option, procure and substitute another policy of insurance in the amount required pursuant to the foregoing terms of this Mortgage with such companies as Lender may select, the cost of which shall be paid by Borrower upon demand should the amount available from the Insurance Deposits be insufficient to pay the premium therefor. All sums paid by Lender in procuring said insurance that are not promptly reimbursed by Borrower shall be additional Indebtedness and shall be immediately due and payable without notice, with interest thereon at the Default Rate from the date of such payment.

(b) In the event of any damage to or destruction of the Improvements or any part thereof, Borrower shall promptly notify Lender and take such action necessary to preserve the undamaged portion of the Improvements. Borrower shall obtain Lender's prior written consent to the settlement of any claim with respect to the Proceeds of any insurance in excess of \$100,000.00. If, at the time of such damage or destruction,

(i) no Event of Default is in existence and no event shall have occurred as of such date which, with the passage of time, the giving of notice or both, would constitute an Event of Default;

(ii) the damage is such that it can be reasonably repaired within the time provided in the Leases so as to preclude a material reduction in the rental income from the Secured Property (after application of any rental insurance proceeds), or Borrower obtains written commitments in form and substance reasonably satisfactory to Lender from tenants to lease space, upon completion of repairs, in the Secured Property at aggregate rentals equal to or exceeding the debt service of the Loan and the general operating expenses of the Secured Property;

(iii) the Real Estate and/or Improvements can be restored to a condition substantially equal to the condition that existed immediately prior to such damage or destruction with the use of the Proceeds and such other amounts payable by Borrower in respect of applicable deductibles; and

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(iv) if required by Lender, a satisfactory report addressed to Lender from an environmental engineer or other qualified professional satisfactory to Lender certifies that no adverse environmental impact to the Secured Property has resulted from the casualty;

then, any Proceeds paid to Lender in connection with such damage or destruction, after deducting therefrom any expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in protecting the undamaged portion of the Improvements and in the collection of the Proceeds (the "Collection Expenses"), shall be applied to the cost of restoring, repairing, replacing or rebuilding (herein generally called "Restoration") the Real Estate and/or Improvements or any part thereof as set forth in Section 3.10.

Otherwise, in Lender's sole discretion, all Proceeds, less Collection Expenses, shall be applied: (A) to the installments of the Indebtedness in the inverse order of their maturity; or (B) to the cost of Restoration as set forth in Section 3.10.

(c) If Lender applies the Proceeds to the installments of the Indebtedness in the inverse order of their maturity, and provided no Event of Default is in existence and no event shall have occurred as of such date which, with the passage of time, the giving of notice or both, would constitute an Event of Default, no premium or fee shall be payable in connection with any prepayment of the Indebtedness from the Proceeds. In addition, if the Proceeds are applied to the Indebtedness pursuant to the preceding sentence, and provided no Event of Default is in existence and no event shall have occurred as of the date of prepayment of the remaining Indebtedness in full which, with the passage of time, the giving of notice or both, would constitute an Event of Default, Borrower may, at its option, pay the remaining Indebtedness in full (but not in part) without a premium or fee at any time within one hundred eighty (180) days after the date of such application.

3.9 Condemnation.

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

(b) Borrower hereby assigns, transfers and sets over unto Lender the entire Proceeds of any and all awards resulting from any Taking. Lender is hereby authorized to collect and receive from the condemnation authorities the entire Proceeds and is further authorized to give appropriate receipts and acquittances therefor.

(c) In the event of any such Taking, any and all such Proceeds shall be applied, after deducting therefrom any Collection Expenses, in Lender's sole discretion, but subject to the further terms of this Section 3.9, to: (i) the installments of the Indebtedness in the inverse order of their maturity; or (ii) the cost of Restoration pursuant to Section 3.10.

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(d) If (i) the requirements stated in Sections 3.8(b)(i), (ii) and (iv) above are satisfied and (ii) in Lender's reasonable judgment, the remainder of the Secured Property can be operated (A) as an economically viable project at substantially the same level of operations that existed immediately prior to the Taking; and (B) at the functional equivalent of its condition (considering, without limitation, the effect of the Taking on the remaining leasable area, parking and access) immediately prior to the Taking (the "Viability Requirements"); then, such Proceeds, after deducting therefrom the Collection Expenses, shall be applied to the cost of Restoration pursuant to Section 3.10.

(e) If Lender applies the Proceeds to the installments of the Indebtedness in the inverse order of their maturity, and provided no Event of Default is in existence and no event shall have occurred as of such date which, with the passage of time, the giving of notice or both, would constitute an Event of Default, no premium or fee shall be payable in connection with any prepayment of the Indebtedness from the Proceeds. In addition, if the Proceeds are applied to the Indebtedness because Lender has determined that the Viability Requirements have not been satisfied, and provided no Event of Default is in existence and no event shall have occurred as of the date of prepayment of the remaining Indebtedness in full which, with the passage of time, the giving of notice or both, would constitute an Event of Default, Borrower may, at its option, pay the remaining Indebtedness in full (but not in part) without a premium or fee at any time within one hundred eighty (180) days after the date of such application.

(f) Notwithstanding anything contained herein to the contrary, in the event that the Taking is, in Lender's reasonable determination, of such a nature that the Real Estate and the Improvements will not require Restoration, all Proceeds, after deducting therefrom the Collection Expenses, shall be applied in Lender's sole discretion to installments of Indebtedness in the inverse order of their maturity, and provided no Event of Default is in existence and no event shall have occurred as of such date which, with the passage of time, the giving of notice or both, would constitute an Event of Default, no premium or fee shall be payable in connection with any prepayment of the Indebtedness from the Proceeds.

3.10 Restoration Using Proceeds.

(a) In the event Lender elects (or is required hereby) to make any Proceeds available for Restoration, Borrower shall complete, in form and with supporting documentation reasonably required by Lender, an estimate of the cost to repair or to restore the Real Estate and Improvements to a condition substantially equal to the condition in which they existed prior to such damage, destruction or Taking, free from any security interest in, lien or encumbrance on, or reservation of title to, such Real Estate and Improvements.

(b) If the amount required to complete Restoration exceeds \$100,000.00, then the Proceeds and, if applicable, other amounts payable by Borrower necessary to complete Restoration shall be held by Lender or, if Lender so desires, a disbursing agent selected by Lender and may be invested using Borrower's taxpayer identification number in an interest bearing account mutually acceptable to Borrower and Lender. The costs and expenses of administering disbursements shall be paid by Borrower. In the event the amount of the Proceeds are insufficient to cover the cost of Restoration, Borrower shall pay to Lender, upon demand, the

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cost of Restoration in excess of the Proceeds, such excess to be held by Lender with the Proceeds.

(c) If the amount required to complete Restoration is \$100,000.00 or less, then the Proceeds may be delivered directly to Borrower and shall be applied by Borrower to the cost of Restoration. Borrower shall complete such Restoration in a timely and workmanlike manner, free from any security interest in, mechanics' or materialmen's lien or encumbrance on, or reservation of title to, the Real Estate and Improvements, subject to Borrower's right to contest liens pursuant to Section 3.5 above.

(d) Subject to Lender's right to limit the number of disbursements, the Proceeds shall be disbursed from time to time upon Lender's receipt of architect's certificates, waivers of lien, contractor's sworn statements and such other evidence as Lender or any disbursing agent may reasonably require to verify the cost and fact of the completion of the work included in said disbursement. Under no circumstances shall any portion of the Proceeds be released until Lender has been reasonably assured that the Proceeds remaining after the requested disbursement will be sufficient to complete Restoration. No payment of Proceeds made prior to the final completion of Restoration shall exceed ninety percent (90%) of the value of the work performed from time to time. Any Proceeds remaining after Restoration shall, at Lender's sole option, either (i) be applied against the installments of Indebtedness in the inverse order of their maturity without any prepayment fee or penalty or (ii) released to Borrower.

3.11 Restrictions on Transfer. The terms, conditions and agreements set forth in this Section are subject to the terms of that certain Agreement Regarding Permitted Releases, Substitutions and Transfers ("Agreement Regarding Permitted Releases") executed and delivered in connection with the Loan. In the event of a conflict between the terms of this Mortgage and the Agreement Regarding Permitted Releases, the terms of the Agreement Regarding Permitted Releases shall control.

(a) Without the prior written consent of Lender:

(i) Borrower shall not create, effect, contract for, commit or consent to, nor shall Borrower suffer or permit, any sale, conveyance, transfer, assignment, collateral assignment, lien, pledge, mortgage, security interest or other hypothecation, encumbrance or alienation (or any agreement to do any of the foregoing) (the foregoing being herein, collectively, called a "Transfer") of the Secured Property, or any interest therein or title thereto (excepting, however, the sale or other disposition of Collateral (as defined in Section 6.1) no longer useful in connection with the operation of the Secured Property ("Obsolete Collateral")); provided, however, that prior to the sale or other disposition of Obsolete Collateral, such Obsolete Collateral shall have been replaced by Collateral of at least equal value and utility which is subject to the first and prior lien of this Mortgage, and further provided that nothing herein shall affect Borrower's rights with respect to Contested Liens;

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

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(iii) Except as permitted in Section 3.11 (c) below, there shall not be any Transfer of any direct or indirect ownership interest in Borrower (provided, however, that if any owner of any direct or indirect ownership interest in Borrower is a corporation whose stock is publicly traded on a national securities exchange or on the "Over The Counter" market, this subsection (iii) shall be inapplicable to such Transfer of ownership interest in such corporation), it being specifically agreed that any owner of direct or indirect ownership interest in Borrower may not obtain mezzanine financing secured by such ownership interest;

(iv) there shall not be any change in Control (by way of Transfers of stock ownership, membership interests, partnership interests or otherwise) of Borrower. "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ability to exercise voting power, by contract or otherwise; or

(v) if Borrower is a limited liability company, Borrower shall not enter into or agree to a division of assets or plan for division of assets of such limited liability company.

(b) The foregoing provisions of this Section 3.11 shall not apply (i) to liens securing the Indebtedness; (ii) to the lien of current Taxes not in default; or (iii) to customary easements in favor of public or private utilities or governmental entities entered into by Borrower in connection with the operation of the Secured Property which have no material adverse effect on the use or value of the Secured Property, do not have more than a *de minimis* effect on vehicular or pedestrian access, do not grant a lien that could be foreclosed upon, and do not impose any new taxes or assessments. The provisions of this Section 3.11 shall be operative with respect to, and shall be binding upon, any Person who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Secured Property, or such beneficial interest (whether stock, membership interest, partnership or joint venture interest or other beneficial interest) in Borrower or any beneficiary of a trustee Borrower. Any waiver by Lender of the provisions of this Section 3.11 must be in writing and shall not be deemed to be a waiver of the right of Lender in the future to insist upon strict compliance with the provisions of this Section 3.11.

(c) Notwithstanding anything contained herein to the contrary, prior written consent shall not be required for any Transfer of an interest in Borrower by any partner, member, shareholder, or beneficiary, as applicable, of Borrower, where such Transfer: (1) results from death; (2) is a Transfer made among the present partners, members, shareholders or beneficiaries, as applicable; (3) is made to immediate family members (spouses and children) or family trusts solely for the benefit of such family members for estate planning purposes; (4) which is made to any LBA Affiliate (as defined below); (5) which is made to institutional investors; or (6) which is made to a Qualified Real Estate Investor (as defined below).

"**LBA Affiliate**" means an entity controlled by LBA (as defined below).

"**Qualified Real Estate Investor**" means (y) the proposed transferee has commercially reasonable qualifications, experience and creditworthiness; and (z) the proposed transferee

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together with any affiliated guarantors: have real estate assets with a current market value of not less than \$250,000,000.00; a net worth of not less than \$100,000,000.00, and liquid assets (cash and cash equivalents) of not less than \$10,000,000.00.

Any such Transfer shall be subject to Lender's determination that the following conditions have been satisfied:

(i) Except for death, thirty (30) days' prior written notice of such proposed Transfer shall be delivered to Lender, together with (A) a description of the proposed sale or Transfer, including a description of the nature and amount(s) of beneficial ownership interests proposed to be sold or transferred and a description of who owns the remainder not being transferred; (B) documentation related to the proposed transferee as required by Lender in its reasonable discretion including, without limitation, organizational documents, certificates of existence and good standing and final ownership allocations; (C) copies of the Transfer documents pursuant to which the proposed Transfer is to be effected; and (D) any additional information reasonably requested by Lender regarding the proposed Transfer and/or transferee, including, but not limited to, the information required in Section 3.24(b); provided that the foregoing notice and other conditions shall not be required unless (1)(y) prior to the proposed Transfer the proposed transferee, if domiciled in the United States of America, together with its affiliates, owned, directly or indirectly, less than twenty percent (20%) of the direct or indirect interests in Borrower, and (z) as a result of such Transfer, the proposed transferee, together with its affiliates, would own, directly or indirectly, twenty percent (20%) or more of the direct or indirect interests in Borrower, or (2)(y) prior to the proposed Transfer, the proposed transferee, if not domiciled in the United States of America, together with its affiliates, owned, directly or indirectly, less than ten percent (10%) of the direct or indirect interests in Borrower and (z) as a result of such Transfer, the proposed transferee, together with its affiliates, would own, directly or indirectly, ten percent (10%) or more of the direct or indirect interests in Borrower.

(ii) Any such proposed sale or Transfer shall not be permitted to any Person who or which, on the date of the proposed Transfer, is (A) in a bankruptcy, insolvency, reorganization or any other similar court or administrative proceeding or (B) a Prohibited Person (as defined in Section 3.24);

(iii) No Event of Default shall be in existence under any of the Loan Documents on the date of such proposed sale or Transfer, and no event shall have occurred or be in existence as of such date which, with the passage of time, the giving of notice or both, would constitute an Event of Default under any of the Loan Documents, unless the Default or Event of Default will be cured in conjunction with a payoff of the Loan made in accordance with the Loan Documents in connection with such sale or transfer;

(iv) Any such sale or Transfer, if and when consummated, shall not release any Person from any liability or obligation to which it is otherwise liable or obligated, if any, under the terms of the Loan Documents;

(v) Borrower shall pay all of Lender's expenses relating to the review and/or preparation of any documentation related to the proposed Transfer, including, without limitation, the reasonable fees and expenses of Lender's outside counsel; and

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(vi) After any such Transfer, LBA NC CORE INDUSTRIAL, L.P. must continue to maintain directly or indirectly at least a ten percent (10%) ownership interest in Borrower; institutional investors and/or Qualified Real Estate Investors must collectively continue to maintain directly or indirectly at least a seventy percent (70%) ownership interest in Borrower; and LBA (as hereinafter defined) must directly or indirectly control Borrower.

“**LBA**” shall mean LBA Inc. or LBA Realty LLC.

Upon any Transfer resulting from death, Borrower shall provide written notice of such Transfer to Lender within thirty (30) days after the occurrence of such Transfer, together with all of the information and documentation required under clauses (B), (C) and (D) of Section 3.11(c)(i).

3.12 Lender's Dealings with Transferee.

Lender shall be authorized and empowered to deal with any Person to whom the Secured Property or any part thereof shall have been transferred with regard to the Secured Property, the Indebtedness and any of the terms or conditions of this Mortgage, as fully and to the same extent as it might with the original Borrower, without in any way releasing or discharging the original Borrower from any of its covenants under this Mortgage and without waiving Lender's right of acceleration of the maturity of the Indebtedness as provided in this Mortgage or the Note.

3.13 Change in Tax Laws.

In the event of any change in, or change in the interpretation of, any applicable law regarding (a) the taxation of mortgages, deeds of trust or other security instruments or the debts secured thereby; or (b) the manner in which such taxes are collected, which change adversely affects Lender, this Mortgage or any other Loan Document or the Indebtedness, Borrower shall promptly pay any such tax and otherwise compensate Lender to the extent of such detriment; provided, however, that if Borrower fails to make such payment or if any such law prohibits Borrower from making such payment or would penalize Lender (which could not be reimbursed by Borrower) in the event of such payment, Lender may elect, by notice in writing given to Borrower, to declare all of the Indebtedness secured hereby to be and become due and payable, without any prepayment premium or fee, within ninety (90) days from the giving of such notice.

3.14 Inspection of Secured Property.

Borrower hereby grants to Lender, its agents, employees, consultants and contractors the right to enter upon the Secured Property, subject to the rights of tenants under the Leases and upon reasonable prior notice and at reasonable times (except in the case of emergencies) for the purpose of making any and all inspections, reports, tests, inquiries and reviews as Lender, in its sole and absolute discretion, deems necessary to assess the then current condition of the Secured Property or for the purpose of performing any other acts which Lender is authorized to perform under this Mortgage or under the Environmental Indemnification Agreement executed by Borrower and Guarantor (if applicable) in connection with the Loan (the “**Environmental Indemnification Agreement**”). Borrower will cooperate with Lender to facilitate each such entry and the accomplishment of such purposes.

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3.15 Operating and Financial Statements.

Borrower shall deliver or cause to be delivered the following reports, financial statements and related documents to Lender:

(a) Within sixty (60) days after the end of each fiscal year of Borrower, (i) annual operating statements showing all elements of income and expense of the Secured Property dated as of the last day of such period and (ii) a current rent roll for the Secured Property, which shall include gross sales of each tenant, if any, paying percentage rental;

(b) Within one hundred twenty (120) days after the end of each fiscal year of Borrower and any Guarantor, annual financial statements (consisting of a balance sheet and an income and expense statement) for Borrower and such Guarantor;

(c) Within one hundred twenty (120) days after the end of each fiscal year of Borrower, annual financial statements (consisting of a balance sheet and an income and expense statement) for any tenant under a Lease that provides that such tenant may self-insure on any insurance otherwise required to be obtained by Borrower under this Mortgage;

(d) Promptly after request from Lender and receipt thereof from such tenant, any financial statements received by Borrower from any tenant under a Major Lease; and

(e) Promptly upon request from Lender, such other information (financial or otherwise) concerning the Secured Property, Borrower, and any Guarantor that Lender may reasonably request.

All such statements and information shall be prepared in accordance with generally accepted accounting principles consistently applied (or other sound and comprehensive basis of accounting consistently applied and reasonably acceptable to Lender), shall otherwise be satisfactory to Lender and shall be certified by an authorized Person, member, partner, trustee or officer of Borrower or Guarantor, as applicable, approved by Lender. Lender and its representatives shall have the right, at all reasonable times and upon reasonable notice, to examine and make copies of Borrower's plans, books, records, income tax returns and all supporting data concerning Borrower or the Secured Property. Borrower will assist Lender and its representatives in conducting any such examination.

3.16 Declaration of Subordination.

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

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3.17 Usury.

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

3.18 Lease Obligations.

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

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

(i) "Major Leases" shall mean Leases that demise 200,000 square feet or more; provided, however, a replacement or substitution for a Major Lease shall in turn be deemed a "Major Lease" only if such replacement or substitution demises 200,000 square feet or more. As of the date hereof, there are no Major Leases.

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

(c) Borrower covenants and agrees to keep, observe and perform, and to require all tenants of the Secured Property to keep, observe and perform all the covenants, agreements and provisions of any present or future Leases of the Secured Property on their respective parts to be kept, observed and performed. If Borrower shall neglect or refuse to so perform, or fail to require such tenants to so perform, Lender may, at its option, itself perform and comply, or require performance or compliance by such tenants, with any such Lease covenants, agreements and provisions. Any sums expended by Lender in performance of or in compliance with such Leases or in enforcing performance of or compliance with such Leases by the tenants, including costs and expenses and attorneys' fees, shall be paid to Lender by Borrower upon demand with interest thereon at the Default Rate from the date of such payments and, in the absence of such payment, all such sums shall be deemed to be and become part of the Indebtedness secured by this Mortgage. Borrower shall not collect any rent or other payment due under any Lease more than one month in advance of the due date of such payment.

(d) Borrower expressly covenants and agrees that, as landlord under the Major Leases, Borrower shall not:

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

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

(iii) fail to enforce all of the material terms, covenants and conditions required to be performed by a tenant under any Major Lease, including, without limitation, any tenant's obligations to provide a letter of credit as security for its obligations under any Major Lease;

(iv) fail to pursue its remedies under any Major Lease (short of voluntary surrender or termination) following a breach or default by the tenant thereunder; or

(v) without Lender's prior written consent, permit or approve an assignment by any tenant under any Major Lease or a subletting of all or any part of the Secured Property demised in any Major Lease (other than in accordance with the terms of the applicable Major Lease previously approved by Lender).

3.19 Environmental Compliance.

In addition to the other Loan Documents, Borrower has executed the Environmental Indemnification Agreement and the representations, warranties, covenants and obligations set forth therein are incorporated herein by reference.

3.20 Further Assurances.

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

(b) Without limiting the generality of the foregoing, upon request of Lender, Borrower shall promptly and, insofar as not contrary to applicable law, at Borrower's expense, execute, record, rerecord, file and refile in such offices, at such times and as often as may be necessary, this Mortgage, additional mortgages, security agreements and every other instrument in addition to or supplemental hereto, including applicable financing statements, continuation statements, affidavits or certificates as may be necessary to create, perfect, maintain, continue, extend and/or preserve the liens, encumbrances and security interests intended to be granted and created in and by the Loan Documents and the rights and remedies of Lender and Borrower thereunder. Borrower shall promptly supply evidence of fulfillment of the foregoing acts and further assurances.

3.21 Change of Name, Identity or Structure.

Except as may be expressly permitted in this Mortgage, without giving Lender at least thirty (30) days' prior written notice, Borrower shall not change: (a) its jurisdiction of

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organization; (b) the location of its place of business (or chief executive office if more than one place of business); or (c) its name or identity (including its trade name or names). In addition, if Borrower is an entity, Borrower shall not change its structure or legal status without first obtaining the prior written consent of Lender, except as may be expressly permitted by this Mortgage.

3.22 Substitute Guarantor.

If, at any time during the term of the Loan, the Indebtedness is guaranteed pursuant to a Guaranty, then, with respect to any Guaranty, within one hundred eighty (180) days after the death of any individual Guarantor, or within ninety (90) days after the dissolution or cessation of business of an entity Guarantor (such entity Guarantor being herein called a "dissolved Guarantor"), Borrower shall propose in writing to Lender the name of a Person to act as a successor guarantor (the "**Successor Guarantor**") and to assume all of the obligations and liabilities of the deceased or dissolved Guarantor under the Loan Documents, including, without limitation, the obligations and liabilities in Section 7.13 below that are personal obligations and liabilities of Guarantor and Borrower. The proposed Successor Guarantor's identity, composition, financial condition and creditworthiness, experience, character and business reputation shall be reasonably acceptable to Lender. If the proposed Successor Guarantor is acceptable to Lender, the Successor Guarantor shall promptly, and in no event more than two hundred seventy (270) days following the death of an individual Guarantor or one hundred eighty (180) days following the dissolution or cessation of business of an entity Guarantor, as applicable, execute all documents and instruments reasonably requested by Lender to assume all of the obligations and liabilities of the deceased or dissolved Guarantor under the Loan Documents (the "**Guaranty Documents**"). Borrower shall pay all reasonable costs and expenses incurred by Lender relating to the approval of the proposed Successor Guarantor and the preparation and review of the Guaranty Documents, including, without limitation, the reasonable fees and expenses of Lender's outside counsel. The provisions of this Section 3.22 shall also apply in the event of the death of any individual Successor Guarantor or the dissolution or cessation of business of any entity Successor Guarantor.

3.23 Management of Secured Property.

The Secured Property shall be managed in a first-class manner by either: (a) Borrower or an entity affiliated with Borrower and approved by Lender; or (b) a professional property management company approved by Lender. The management of the Secured Property by a Borrower-affiliated entity or a professional property management company (in either case, a "**Manager**") shall be pursuant to a written agreement approved by Lender (the "**Management Agreement**"). In no event shall any Manager be removed or replaced, or the terms of any Management Agreement modified or amended, without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed. Following an Event of Default, Lender shall have the right to terminate the Management Agreement or to direct Borrower to retain a new Manager approved by Lender.

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3.24 OFAC.

(a) None of Borrower, Guarantor (if any), or any director, officer, trustee, manager, employee, partner, member, shareholder or beneficiary of Borrower or Guarantor is a Prohibited Person and, during the term of the Loan, no such Person shall become a Prohibited Person. Borrower will not, directly or indirectly, use the proceeds of the Loan, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture, partner or other Person (i) to fund any activities or business of or with any Prohibited Person, (ii) to fund any activities or business in any country or territory that is, or whose government is, the subject of Sanctions, or (iii) in any other manner that would result in a violation of Sanctions by any Person. "Sanctions" means sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") or the U.S. Department of State or any other statute, regulation or executive order restricting or prohibiting the transaction of business with any Person, group of Persons or nation. "Prohibited Person" means any Person with whom Lender is restricted or prohibited from doing business by OFAC or any Sanctions, including, but not limited to, those Persons named on OFAC's Specially Designated and Blocked Persons List.

(b) In connection with any proposed sale or Transfer of a direct or indirect interest in Borrower, Borrower shall provide Lender with such information as Lender may request to perform OFAC searches with respect to the proposed transferee(s) of such interest(s).

3.25 Indemnification.

Without limiting Borrower's obligations set forth in other Sections of this Mortgage, Borrower shall indemnify, defend and hold Lender harmless from and against any and all liabilities, obligations, claims, actions, suits, costs, damages, losses, penalties, fines and expenses (including, but not limited to, all reasonable outside attorneys' fees) incurred by Lender (the "Indemnified Liabilities") arising out of, by reason of, in connection with or otherwise related to: (a) any action or claim of a third party related to Borrower, the Loan Documents or the Secured Property; (b) any action by Lender to enforce or preserve any rights under the Loan Documents or to the Secured Property; or (c) any accident, injury, death, or damage to any person or property occurring in, on, about, or in connection with the Secured Property; provided, however, Borrower shall have no obligation under this Section to the extent that the Indemnified Liabilities arise out of the gross negligence or willful misconduct of Lender.

3.26 Replacement of Prior Lien.

To the extent there is a lien on the Secured Property securing obligations that are to be satisfied out of the proceeds of the Loan, the security interest and lien granted in this Mortgage shall constitute a replacement of such lien.

3.27 Future Advances.

This Mortgage is given to secure not only the Indebtedness but also future advances (whether obligatory or to be made at the option of Lender, or otherwise) made by Lender, to the same extent as if such future advances were made on the date of the execution of this Mortgage.

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The total amount of indebtedness that may be so secured may decrease or increase from time to time, but all indebtedness secured hereby shall in no event exceed an amount equal to two (2) times the original principal amount of the Note, as stated above.

ARTICLE FOUR EVENTS OF DEFAULT

4.1 Defaults.

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

(a) Borrower fails to make any payment of the Indebtedness or any other amount owed under the Loan Documents on the dates or within the times required under the Loan Documents, including, without limitation, payments of principal and/or interest under the Note;

(b) Borrower fails to timely observe, perform or discharge any of the non-monetary Obligations, other than a non-monetary obligation described in any other clause in this ARTICLE Four, and any such failure shall remain uncured for thirty (30) days or such lesser period as may be otherwise specified in the applicable Loan Document (the "Grace Period") after notice to Borrower of the occurrence of such failure; any applicable Grace Period shall be extended to ninety (90) days if: (i) such default cannot reasonably be cured within such Grace Period, but can be cured within ninety (90) days; (ii) no lien or security interest created by the Loan Documents shall be impaired prior to the anticipated completion of such cure; and (iii) Lender's immediate exercise of any remedies provided in this Mortgage or by law is not necessary for the protection or preservation of the Secured Property or Lender's security interest therein or lien thereon, and Borrower shall immediately commence and diligently pursue the cure of such default;

(c) Borrower, as landlord or sublandlord, as the case may be, assigns or otherwise encumbers the Rents or any interest therein without first obtaining the written consent of Lender;

(d) Borrower, after the expiration of all applicable grace or cure periods, defaults or is in default under any agreement, other than the Loan Documents, which (i) is secured by a lien on the Secured Property that is junior and subordinate to this Mortgage (regardless of whether such lien was obtained with the prior written consent of Lender); (ii) is secured by a lien on the respective interests of the constituent entities in Borrower (regardless of whether such lien was obtained with the prior written consent of Lender); or (iii) would, as a result of such default, subject the Secured Property to any mechanics', materialmen's or other lien or claim of lien, other than a lien that constitutes a Contested Lien pursuant to Section 3.5 above;

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

(f) Any of the Loan Documents ceases to be in full force and effect or be declared null and void, or cease to constitute valid and subsisting liens and/or valid and perfected security interests in, to or upon the Secured Property (herein, a "Loan Document Invalidation Condition"); provided, however, that in the event that the Loan Document Invalidation Condition (other than the enforceability of the obligation to pay the Indebtedness or the failure to constitute valid and subsisting first liens and/or valid and perfected first security interests in, to or upon the Secured Property) is a circumstance or condition which is susceptible to being cured by action on the part of the Borrower (as determined by Lender), then Borrower shall have thirty (30) days after written notice thereof to cure or otherwise remedy the Loan Document Invalidation Condition;

(g) Any violation of Section 3.11 occurs or any other event occurs which, under the terms of the Loan Documents, would permit Lender to accelerate the maturity of the Indebtedness;

(h) Borrower fails at any time to satisfy the requirements of Section 3.7 and such failure continues for fifteen (15) days after written notice thereof;

(i) Any Liable Party (as defined in Section 5.1(g)) including without limitation any Guarantor, including any Successor Guarantor or replacement guarantor hereafter in effect: (A) generally does not pay its debts as they become due; (B) admits in writing its inability to pay its debts; or (C) makes a general assignment for the benefit of creditors;

(j) Any Liable Party commences any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it and its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeks to have an order for relief entered against it as debtor, or seeks appointment of a receiver for it or for all or any substantial part of its property (collectively, a "Proceeding");

(k) Any Liable Party takes an action to authorize any of the actions set forth above in subsections (i) or (j) of this Section 4.1;

(l) Any Proceeding is commenced against any Liable Party, and such Proceeding results in the entry of an order for relief against it which is not fully stayed within ten (10) business days after the entry thereof, or remains undismissed for a period of sixty (60) days;

(m) (i) A final judgment, other than a final judgment in connection with any condemnation, including any judgment or other final determination of any contest permitted by Section 3.5 of this Mortgage, is entered against Borrower that (A) adversely affects the value, use or operation of the Secured Property; or (B) adversely affects, or reasonably may tend to adversely affect, the validity, enforceability or priority of the liens or security interests created in and by this Mortgage, or the other Loan Documents, or both; or (ii) execution or other final process issues on any judgment with respect to the Secured Property, and Borrower fails to

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discharge the same, or provide for its discharge in accordance with its terms, or procure a stay of execution thereon in any event within thirty (30) days from entry, or should Borrower not within such period, or such longer period during which execution on such judgment shall have been stayed, appeal therefrom or from the order, decree or process upon or pursuant to which such judgment shall have been entered and cause its execution to be stayed during such appeal, or if on appeal, such order, decree or process shall be affirmed and Borrower does not discharge such judgment or provide for its discharge in accordance with its terms within thirty (30) days after the entry of such order or decree of affirmation, or if any stay of execution on appeal is released or otherwise discharged;

(n) Any Successor Guarantor fails to execute and deliver to Lender all Guaranty Documents reasonably requested by Lender necessary to assume all of the obligations and liabilities of the deceased or dissolved Guarantor under the Loan Documents within two hundred seventy (270) days following the death of an individual Guarantor or one hundred eighty (180) days following the dissolution or cessation of business of an entity Guarantor, as applicable;

(o) Any violation of Section 3.24 occurs; or

(p) There is any default by Guarantor under the Guaranty, and such default is not cured within the applicable time period set forth in Section 4.1(b).

ARTICLE FIVE REMEDIES

5.1 Remedies.

(a) Upon the occurrence of an Event of Default, unless waived in writing by Lender, Lender, at its option, may at any time thereafter declare the entire Indebtedness to be immediately due and payable and the same shall thereupon become immediately due and payable, without any further presentment, demand, protest or notice of any kind being required (except to the extent required by applicable law or any of the Loan Documents) and Lender, at its option and in its sole discretion, shall also be entitled to do any of the following :

(i) make any payments or take any other actions it deems necessary or desirable to preserve the Secured Property. Borrower shall, upon demand, reimburse Lender for all sums so advanced or expenses incurred by it, together with interest at the Default Rate from the date of advance or payment of the same, which sums shall be secured by this Mortgage. Lender may enter upon the Secured Property without prior notice to Borrower (to the extent permitted by applicable law) or judicial process (to the extent not prohibited by applicable law) in order to take any action to enforce its rights hereunder without liability to Borrower (provided that the foregoing sentences shall not prohibit liability that might arise from or relate to the gross negligence or willful misconduct of Lender or its employees, agents, contractors or representatives);

(ii) (A) in person, by agent or by a receiver, without regard to the adequacy of security, the solvency of Borrower or the condition of the Secured Property, without

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

(iii) as a matter of strict right and without notice to Borrower or anyone claiming under Borrower, and without regard to: (A) the solvency of Borrower; (B) whether there has been or may be any impairment of or diminution in the value of the Secured Property; or (C) whether the amount of the Indebtedness exceeds the then value of the Secured Property, apply *ex parte* (to the extent permitted by applicable law) to any court having jurisdiction to appoint a receiver to enter upon and take possession of the Secured Property and Borrower hereby waives notice of any application therefor, provided, if required by law, a hearing to confirm such appointment with notice to Borrower is set within the time required by law (any such receiver shall have all the powers and duties of receivers in similar cases and all the powers and duties of Lender in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale, unless such receivership is sooner terminated);

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

(v) with respect to any Collateral, proceed as to both the real and personal property in accordance with Lender's rights and remedies in respect of the Real Estate and Improvements, or proceed to sell said Collateral separately and without regard to the Real Estate and Improvements in accordance with Lender's rights and remedies with respect to the Collateral, Section 6.3 below, and in accordance with applicable law.

(b) In (i) any action to foreclose the lien of this Mortgage or enforce any other remedy of Lender under any of the Loan Documents; or (ii) any other proceeding whatsoever in connection with any of the Loan Documents or the Secured Property in which Lender is named as a party, there shall be allowed and included, as additional indebtedness in the judgment or decree for sale resulting therefrom, all expenses paid or incurred in connection with such proceeding by or on behalf of Lender, including, without limitation, reasonable outside attorneys' and paralegals' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, land and environmental survey costs, and costs (which may be estimated as to items to be expended after entry of such judgment or decree) of procuring all abstracts of title, title certificates, title searches and examinations, title insurance policies, Torrens certificates and any similar data and assurances with respect to the title to the Secured Property as Lender may deem reasonably necessary either to prosecute or defend in such proceeding or to evidence to bidders at any sale pursuant to such decree the true condition of the

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title to or value of the Secured Property, incurred by Lender. All expenses and fees of the foregoing nature and such expenses and fees as may be incurred in the protection of the Secured Property and the maintenance of the lien of this Mortgage thereon in any litigation or proceeding affecting the Loan Documents or the Secured Property, including probate and bankruptcy proceedings, proceedings to obtain a receiver, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding in connection therewith, shall upon demand of Lender be immediately due and payable by Borrower with interest thereon at the Default Rate from the date of payment of such expenses and fees and shall become a part of the Indebtedness secured by this Mortgage.

(c) Unless otherwise provided herein, if Borrower shall at any time fail to perform or comply with any of the terms, covenants and conditions required on Borrower's part to be performed and complied with under any of the Loan Documents or any other agreement that, under the terms of this Mortgage, Borrower is required to perform, beyond any applicable cure period granted herein, Lender may, at its option and in its sole discretion:

(i) make any payments hereunder or thereunder payable by Borrower, with interest on all such payments at the Default Rate; and/or

(ii) after the expiration of any applicable Grace Period and subject to Borrower's right to contest certain Obligations specifically granted in this Mortgage, perform any such other acts thereunder on part of Borrower to be performed and enter upon the Secured Property for such purpose.

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

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

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

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

(h) Notwithstanding anything herein to the contrary, and in addition to the remedies available to Lender in this Article Five, Borrower and Guarantor (individually, a "Liable Party") and collectively, the "Liable Parties") shall immediately and automatically be

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and become personally liable for the payment of the Indebtedness upon the occurrence of (i) a Transfer in violation of Section 3.11; and/or (ii) any of the bankruptcy-related Events of Default under Sections 4.1(i)(C), 4.1(j), 4.1(k) (solely with respect to authorizing the action set forth in Section 4.1(i)(C)) or 4.1(l) of this Mortgage.

(i) Notwithstanding the provisions of Article Five of this Mortgage, any foreclosure of all or any portion of the lien of this Mortgage shall be in accordance with the Illinois Mortgage Foreclosure Act, 735 ICLS 5/15-1101 et seq., as from time to time amended (the "**Act**").

(j) Borrower acknowledges that the transaction of which this Mortgage is a part of a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Act) or residential real estate (as defined in Section 15-1219 of the Act). To the fullest extent permitted by law, Borrower hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under Section 15-1601(b) of the Act, and to the benefits of all present and future valuation, appraisal, homestead, exemption, stay, redemption and moratorium law, under any state or federal law.

(k) The following notice is provided pursuant to paragraph (3) of 815 ILCS 180/10: Unless the Borrower provides evidence of the insurance coverage required by the Loan Documents, Lender may purchase such insurance at the Borrower's expense to protect Lender's interests in the Borrower's collateral. This insurance may, but need not, protect the Borrower's interests. The coverage that Lender purchases may not pay any claim that the Borrower may make or any claim that is made against the Borrower in connection with the collateral. The Borrower may later cancel any insurance purchased by Lender, but only after providing evidence that the Borrower has obtained insurance as required by the Loan Documents. If Lender purchases insurance for the collateral, the Borrower will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges that Lender 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 Obligations of the Borrower. The costs of the insurance may be more than the cost of insurance that the Borrower may be able to obtain on the Borrower's own.

ARTICLE SIX

• SECURITY AGREEMENT AND FIXTURE FILING

6.1 Security Agreement.

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

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Agreement within the meaning of the Uniform Commercial Code as adopted by the State (the "Code").

6.2 Fixture Filing.

This Mortgage, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of the Code with respect to any and all fixtures included within the foregoing description and definition of the Secured Property and any Collateral that may now be or hereafter become "fixtures" within the meaning of the Code. As to those items of the Collateral which are or shall become affixed to the Real Estate and/or the Improvements, and all products and proceeds thereof, this Mortgage is and shall be effective as a financing statement filed as a fixture filing as and from the date of its recordation in the real estate records of the County in which the Real Estate is situated. The name of the record owner of the Real Estate and Improvements is Borrower, identified on the first page of this Mortgage. The name and address of Borrower, as debtor and record owner of the Secured Property, is set forth on the first page of this Mortgage. The name and address of Lender, as secured party, and from whom information concerning the security interest created herein may be obtained, is set forth on the first page of this Mortgage. The provisions of ARTICLE Two of this Mortgage describe the types and items of the Collateral affixed or to be affixed to the Real Estate and the Improvements.

6.3 Remedies.

If any Event of Default occurs under this Mortgage, Lender, in addition to its other rights and remedies provided under this Mortgage, shall have all the rights and remedies available to a secured party under the Code, as well as all other rights and remedies available at law or in equity. Borrower, upon request by Lender, will assemble the Collateral and make it available to Lender at a place Lender designates to allow Lender to take possession or dispose of the Collateral. Borrower agrees that ten (10) days' prior written notice of the time and place of the sale of the Collateral, sent to Borrower in the manner provided for the mailing of notices herein, is reasonable notice to Borrower. The sale of the Collateral may be conducted by an employee or agent of Lender and any Person, including both Borrower and Lender, shall be eligible to purchase any part or all of the Collateral at the sale. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Lender shall include, without limitation, attorneys' and paralegals' fees and legal expenses incurred by Lender, and shall be paid by Borrower. If permitted by statute or court decision, the Collateral may be sold as part of any foreclosure sale of the Secured Property.

6.4 Waivers.

Borrower waives any right to require Lender to (a) proceed against any Person; (b) proceed against or exhaust any Collateral; or (c) pursue any other remedy in its power. Borrower further waives any defense arising by reason of any power and any defense arising by reason of any disability or other defense of Borrower or any other Person, or by reason of the cessation from any cause whatsoever of the liability of Borrower or any other Person. Until the Indebtedness shall have been paid in full, Borrower shall not have any right to subrogation and Borrower waives any right to enforce any remedy which Borrower now has or may hereafter

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have against Lender or against any other Person and Borrower further waives any benefit of and any right to participate in any Collateral or security whatsoever now or hereafter held by Lender for or with respect to the Indebtedness and/or the Obligations.

6.5 Authorization.

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

Borrower shall pay to Lender, within ten (10) business days of written demand, any and all costs and expenses incurred by Lender in connection with the preparation, processing and filing of any such UCC Documents, including reasonable attorneys' fees and all disbursements. Such costs and expenses shall bear interest at the Default Rate from the date paid by Lender until the date repaid by Borrower and such costs and expenses, together with such interest, shall be part of the Indebtedness and shall be secured by this Mortgage.

6.6 Preservation of Borrower's Existence.

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

6.7 Notice of Change of Location of Collateral.

Without giving at least thirty (30) days' prior written notice to Lender, Borrower shall not add to or change any location at which any of the Collateral is stored, held or located.

ARTICLE SEVEN MISCELLANEOUS

7.1 Notices, Consents, and Approvals.

Any notice, consent or approval that Lender or Borrower may desire or be required to give to the other shall be in writing and shall be mailed or delivered to the intended recipient thereof at its address set forth below or at such other address as such intended recipient may from time to time by notice in writing designate to the sender pursuant hereto. Any such notice, consent or approval shall be deemed effective if given (a) by nationally recognized overnight courier for next day delivery one (1) business day after delivery to such courier; (b) by United States mail (registered or certified), two (2) business days after such communication is deposited in the mails; or (c) in person, when written acknowledgment of receipt thereof is given. Refusal to accept delivery or the inability to deliver because of a changed address for which no notice

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was given shall be deemed receipt. Except as otherwise specifically required herein, notice of the exercise of any right or option granted to Lender by this Mortgage is not required to be given.

(a) If to Lender:

State Farm Life Insurance Company
One State Farm Plaza
Bloomington, Illinois 61710
Attn: Corporate Law-Investments
Loan No. 15080

and

McCarter & English, LLP
Four Gateway Center
100 Mulberry Street
Newark, NJ 07102
Attn: Jeffrey A. Petit, Esq.

(b) If to Borrower:

c/o LBA Realty
3347 Michelson Drive, Suite 200
Irvine, California 92617
Attn: Tom Rutherford

and

Seyfarth Shaw LLP
601 South Figueroa Street, Suite 3300
Los Angeles, CA 90017-5793
Attn: Richard C. Mendelson, Esq.

Lender's failure to give a copy of any notice to Borrower's counsel shall not invalidate any notice given to Borrower hereunder.

7.2 Time of Essence.

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

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

The Obligations set forth in this Mortgage are intended as, shall be deemed and are hereby declared to be, covenants running with the title to the land which constitutes the Real Estate and any and all portions(s) thereof, and such Obligations shall be binding upon and

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enforceable by the owner and holder of this Mortgage personally against Borrower and any successor in title to Borrower who or which shall acquire and/or hold title to the Real Estate while the same is subject to and encumbered by this Mortgage. Every Person that shall have, claim, own, hold, accept or otherwise acquire title to the Real Estate, whether or not such title is reflected in the public records of the State and County in which the Real Estate is located, shall be conclusively presumed and deemed to have consented and agreed to personally perform each and every covenant and obligation of Borrower contained in this Mortgage, to the same extent as the original Borrower, whether or not any reference to this Mortgage is contained in the document or instrument pursuant to which such Person shall have acquired title to the Real Estate, and whether or not such Person shall have expressly agreed in writing to assume or perform the Obligations of Borrower contained in this Mortgage.

7.4 Governing Law.

This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois. To the extent that this Mortgage may operate as a security agreement under the Code, Lender shall have all rights and remedies conferred therein for the benefit of a "secured party" thereunder.

7.5 Severability.

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

7.6 Headings.

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

7.7 Grammar.

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

7.8 Deed in Trust.

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

7.9 Successors and Assigns.

This Mortgage and all provisions hereof shall be binding upon and enforceable against Borrower, its successors, assigns, legal representatives and all other Persons claiming under or through Borrower and the word "Borrower" when used herein shall include all such Persons and

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any others liable for the payment of the Indebtedness or any part thereof, whether or not they have executed the Note or this Mortgage. The word "Lender" when used herein shall include Lender's successors, assigns and legal representatives, including all other holders, from time to time, of the Note.

7.10 No Oral Change.

This Mortgage may only be modified, amended or changed by an instrument in writing signed by Borrower and Lender and may only be released, discharged or satisfied of record by an instrument in writing signed by Lender. No waiver of any term, covenant, condition or provision of this Mortgage shall be effective unless given in writing by Lender, and if so given by Lender shall only be effective in the specific instance in which given.

7.11 Entire Agreement.

This Mortgage and the other Loan Documents supersede, in all respects, all prior written or oral agreements between Borrower and Lender relating to the Loan, this Mortgage and the other Loan Documents (including, without limitation, the Loan Application submitted by Borrower to Lender in connection with the Loan) and there are no agreements, understandings, warranties or representations between the parties except as set forth in this Mortgage and the other Loan Documents.

7.12 Construction.

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

7.13 Limitation of Liability.

In consideration of the security provided by Borrower to Lender for repayment of the Indebtedness, including, without limitation, the liens on and security interests in the Secured Property granted pursuant to this Mortgage and the assignment of the Rents and Leases made pursuant to the Assignment of Rents and Leases, upon the occurrence of an Event of Default under this Mortgage or under any of the other Loan Documents, Lender agrees that it shall not, except as otherwise set forth in this Section, seek to enforce, nor shall Lender be entitled to enforce, any deficiency or monetary judgment against Borrower, any partner of Borrower, any member of Borrower, any shareholder of Borrower or any beneficiary of Borrower (individually, an "Exculpated Party", and collectively, the "Exculpated Parties"), personally, and shall not levy or execute judgment upon any property of the Exculpated Parties, other than the Secured Property; it being expressly agreed, acknowledged and understood, however, that the foregoing limitation of the liability of an Exculpated Party shall not apply to, and nothing contained herein shall in any manner or way release, affect or impair:

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

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

(c) The enforceability of the Environmental Indemnification Agreement and any Guaranty given to Lender; or

(d) The right of Lender to recover, jointly and severally, from the Liable Parties: (i) all Indebtedness as set forth in Section 5.1(h) of this Mortgage and (ii) all Losses (as defined in the Note) incurred by Lender (whether directly or indirectly) as set forth in Section 5 of the Note.

7.14 Waiver of Trial by Jury.

Borrower and Lender, by its acceptance hereof, hereby waive, to the fullest extent permitted by applicable law, the right to trial by jury in any action, proceeding or counterclaim filed by any party, whether in contract, tort or otherwise, relating directly or indirectly to this Mortgage or any acts or omissions of Borrower or Lender in connection therewith or contemplated thereby.

7.15 Servicing Fees and Expenses.

Borrower acknowledges and agrees that Lender shall impose certain reasonable administrative processing fees (the "Servicing Fees") in connection with (a) the extension, renewal, modification, amendment and termination of the Loan Documents; (b) the release or substitution of collateral therefor; (c) the consideration of any consents, waivers and approvals with respect to the Secured Property or Borrower; (d) the review of any Lease or proposed Lease or the preparation or review of any tenant estoppel certificate or any subordination, nondisturbance and attornment agreement; or (e) any other services provided by Lender or any of its agents to or on behalf of Borrower in connection with the Secured Property, the Loan Documents or the Indebtedness secured thereby (the occurrence of any of the foregoing shall hereafter be referred to as a "Servicing Action"). Borrower hereby acknowledges and agrees to pay, immediately, upon demand, all such Servicing Fees (as the same may be increased or decreased from time to time), and any additional fees of a similar type or nature that may be imposed by Lender from time to time in connection with a Servicing Action. Borrower shall also be responsible for the payment of all reasonable fees and expenses of Lender's outside counsel in the event that Lender, in its sole discretion, shall determine that the assistance of an outside attorney is necessary or appropriate to accomplish the Servicing Action.

7.16 Subrogation.

To the extent the proceeds of the Indebtedness are used to pay any outstanding lien, charge or encumbrance affecting the Secured Property (including, without limiting the generality of the foregoing, any prior lien), Lender shall be subrogated to all rights, interests and liens owned or held by any owner or holder of such outstanding liens, charges and encumbrances,

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irrespective of whether such liens, charges or encumbrances are released of record; provided, however, the terms and provisions hereof shall govern the rights and remedies of Lender and, to the extent permitted by law without impairing any of Lender's rights of subrogation, shall supersede the terms, provisions, rights and remedies under the lien or liens to which Lender is subrogated hereunder.

7.17 Modifications and Extensions.

Borrower and Lender may agree, in a signed writing to (a) extend the time for payment of all or any part of the Indebtedness; (b) reduce, rearrange or otherwise modify the terms of payment thereof; (c) accept a renewal note or notes therefor; and (d) otherwise deal with the Secured Property or the Loan Documents, all without notice to or the consent of any junior lienholder or any other Person having an interest in the Secured Property and/or Collateral subordinate to the lien of this Mortgage and without the consent of Borrower if Borrower has then parted with title to the Secured Property and/or Collateral (to the extent permitted by applicable law). No such extension, reduction, modification, renewal or dealing shall affect the priority of this Mortgage or release any liability of Borrower or any other Person or impair the security hereof in any manner whatsoever. [Signature appears on the following page]

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IN WITNESS WHEREOF, Borrower has executed this Mortgage as of the date first written above.

BORROWER:


LBA NCC2-COMPANY XII, LLC,
a Delaware limited liability company

By: LBA NC Core Industrial, LP,
a Delaware limited partnership,
its Manager

By: LBA Industrial Management Company II, LLC,
a Delaware limited liability company,
its General Partner

By: LBA Realty, LLC,
a Delaware limited liability company,
its Manager

By: LBA Inc.,
a California corporation,
its Manager

By: 

Name: Perry Schonfeld *

Title: Vice President

PERRY SCHONFELD

[Notary acknowledgment on next page]

Property of Cook County Clerk's Office

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ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

On October 4, 2023 before me, Maritza Banda Novak, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature *Maritza Banda Novak* (Seal)



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EXHIBIT A LEGAL DESCRIPTION OF REAL ESTATE

PARCEL A:

THAT PART OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34,

TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF A STRIP, PIECE, BELT OR PARCEL OF LAND 50 FEET IN WIDTH, BEING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE TO WIT:

COMMENCING AT A POINT IN THE EAST LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, 225 FEET SOUTH OF THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER; THENCE WEST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID SOUTHEAST QUARTER, 333 FEET TO A POINT OF CURVE; THENCE NORTHWESTERLY ALONG A CURVED LINE (CONVEX SOUTH), HAVING A RADIUS OF 1528.14 FEET, 323 FEET TO A POINT OF TANGENT; THENCE NORTHWESTERLY ALONG A LINE TANGENT TO SAID CURVED LINE, 152.02 FEET TO A POINT OF CURVE; THENCE ALONG A CURVED LINE (CONVEX NORTH), HAVING A RADIUS OF 1528.14 FEET, 323 FEET TO A POINT OF TANGENT; THENCE WEST ALONG A LINE TANGENT TO SAID CURVED LINE AND PARALLEL TO THE NORTH LINE OF SAID SOUTHEAST QUARTER, 201.45 FEET TO A POINT IN THE WEST LINE OF SAID SOUTHEAST QUARTER, DISTANT 125 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER. EXCEPTING FROM THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 34 THE SOUTH 600 FEET THEREOF.

ALSO EXCEPTING FROM SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER THAT PART THEREOF DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, 150 FEET SOUTH OF THE NORTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, THENCE EAST ALONG A STRAIGHT LINE, PARALLEL TO THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, BEING THE SOUTH LINE OF THE RIGHT OF WAY OF CHICAGO AND ILLINOIS WESTERN RAILROAD, A DISTANCE OF 201.43 FEET; THENCE CONTINUING SOUTHEASTERLY ALONG THE SOUTHERLY RIGHT OF WAY LINE OF SAID CHICAGO AND ILLINOIS WESTERN RAILROAD, BEING A CURVED LINE, CONVEX NORTHERLY, TANGENT TO THE LAST DESCRIBED LINE AND HAVING A RADIUS OF 1503.14 FEET, A DISTANCE OF 317.74 FEET; THENCE CONTINUING SOUTHEASTERLY ON SAID SOUTHWESTERLY RIGHT OF WAY OF THE CHICAGO AND ILLINOIS WESTERN RAILROAD, BEING A STRAIGHT LINE TANGENT TO THE LAST DESCRIBED CURVED LINE, A DISTANCE OF 64.54 FEET TO AN INTERSECTION WITH A LINE DRAWN PARALLEL TO AND 197 FEET SOUTH OF SAID NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34; THENCE WEST ALONG THE LAST DESCRIBED PARALLEL LINE, A DISTANCE OF 579.88 FEET TO SAID WEST LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 34; THENCE NORTH ALONG SAID LAST DESCRIBED LINE, A DISTANCE OF 47 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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PARCEL B:

AN IRREGULAR PARCEL OF LAND OFF THE SOUTHERLY SIDE OF THE CHICAGO AND ILLINOIS WESTERN RAILROAD COMPANY'S RIGHT OF WAY IN THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE WEST LINE OF S. PULASKI ROAD AND THE SAID RAILROAD COMPANY'S SOUTHERLY RIGHT OF WAY LINE, SAID POINT BEING 33 FEET WEST

OF THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND 250 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, MEASURED AT RIGHT ANGLES THERETO; THENCE NORTH ALONG SAID WEST LINE OF S. PULASKI ROAD, 10 FEET; THENCE WEST PARALLEL WITH SAID NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, 149.80 FEET; THENCE NORTH AT A RIGHT ANGLE 4 FEET; THENCE WEST PARALLEL WITH SAID NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, 196 FEET; THENCE NORTH AT RIGHT ANGLES, 8.20 FEET TO A CORNER IN EXISTING FENCE; THENCE WEST PARALLEL WITH SAID NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER ALONG SAID EXISTING FENCE; 70 FEET TO A POINT OF CURVE; THENCE NORTHWESTERLY ALONG SAID EXISTING FENCE ON A CURVE TO THE RIGHT, CONVEX SOUTHERLY, HAVING A RADIUS OF 1048.50 FEET, A DISTANCE OF 155.57 FEET TO A POINT OF TANGENT; THENCE CONTINUING NORTHWESTERLY ALONG SAID FENCE, TANGENT TO THE LAST DESCRIBED COURSE, 142.50 FEET; THENCE SOUTHWESTERLY, AT A RIGHT ANGLE ALONG SAID FENCE, 3.40 FEET TO A POINT IN SAID RAILROAD COMPANY'S SOUTHERLY RIGHT OF WAY LINE; THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY RIGHT OF WAY LINE 87.48 FEET, MORE OR LESS, TO AN IRON PIPE, BEING THE POINT OF CURVE; THENCE CONTINUING SOUTHEASTERLY ALONG SAID SOUTHERLY RIGHT OF WAY LINE ON A CURVE TO THE LEFT, CONVEX SOUTHERLY, HAVING A RADIUS OF FEET, A DISTANCE OF 328.28 FEET TO POINT OF TANGENT; THENCE CONTINUING EAST ALONG SAID SOUTHERLY RIGHT OF WAY LINE, TANGENT TO LAST DESCRIBED COURSE, PARALLEL WITH SAID NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, 300 FEET TO THE POINT OF BEGINNING, EXCEPT ALL THE OIL, COAL, GAS, SULPHUR, AND OTHER MINERALS AND ANY INTERESTS, RIGHT OR TITLE OF ANY KIND OR CHARACTER WHATSOEVER IN SAID MINERALS IN, UNDER, UPON OR PRODUCED FROM ANY OF THE PROPERTY CONVEYED, IN COOK COUNTY, ILLINOIS.

PARCEL C:

A PARCEL OF LAND, BEING A PART OF THE CHICAGO AND ILLINOIS WESTERN RAILROAD'S PROPERTY, SITUATED IN THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON A LINE WHICH IS 236 FEET SOUTH OF AN PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34 AND 182.80 FEET WEST OF THE EAST LINE OF SAID SECTION 34; THENCE WEST PARALLEL WITH AND 236 FEET SOUTH OF SAID NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, SECTION 34, A DISTANCE OF 196 FEET; THENCE NORTH AT RIGHT ANGLES, 6.95 FEET; THENCE EAST AT A RIGHT ANGLE, 16 FEET; THENCE NORTH AT A RIGHT ANGLE 1.50 FEET; THENCE EAST ALONG A STRAIGHT LINE, A DISTANCE OF 180 FEET TO A POINT 7.95 FEET NORTH FROM THE POINT OF BEGINNING; THENCE SOUTH 7.95 FEET TO THE POINT OF BEGINNING, EXCEPT ALL THE OIL, COALS, GAS, SULPHUR, AND OTHER MINERALS AND ANY INTEREST, RIGHT OR TITLE OF ANY KIND OR CHARACTER WHATSOEVER IN SAID MINERALS IN, UNDER, UPON OR PRODUCED FROM ANY OF THE PROPERTY CONVEYED, IN COOK COUNTY, ILLINOIS.

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TRACTS A, B AND C ALSO DESCRIBED AS:

THAT PART OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, 249.94 FEET SOUTH OF THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER; THENCE SOUTH 01 DEGREES 21 MINUTES 07 SECONDS EAST (BEING AN ASSUMED BEARING) ALONG SAID EAST LINE 476.44 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH 600 FEET OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; THENCE SOUTH 88 DEGREES 41 MINUTES 02 SECONDS WEST ALONG LAST DESCRIBED LINE 1324.51 FEET TO A POINT ON THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; THENCE NORTH 01 DEGREES 16 MINUTES 32 SECONDS WEST ALONG LAST DESCRIBED LINE 531.12 FEET TO A POINT ON A LINE 197.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; THENCE NORTH 88 DEGREES 45 MINUTES 33 SECONDS EAST ALONG LAST DESCRIBED LINE 579.32 FEET TO ITS INTERSECTION WITH THE SOUTH LINE OF THE CHICAGO AND ILLINOIS WESTERN RAILROAD'S PROPERTY; THENCE NORTH 16 DEGREES 05 MINUTES 00 SECONDS EAST 1.87 FEET TO A POINT ON THE NORTHERLY LINE OF PARCEL "B" AS DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AUGUST 01, 2014 AS DOCUMENT NUMBER 1421329012; THENCE SOUTH 82 DEGREES 44 MINUTES 23 SECONDS EAST ALONG THE LAST DESCRIBED LINE 142.50 FEET TO A POINT OF CURVATURE; THENCE EASTERLY 155.57 FEET ALONG THE ARC OF A TANGENT CIRCLE TO THE LEFT, ALSO BEING THE NORTHERLY LINE OF SAID PARCEL "B" HAVING A RADIUS OF 1048.50 FEET AND WHOSE CHORD BEARS SOUTH 86 DEGREES 59 MINUTES 25 SECONDS EAST 155.43 FEET TO A POINT OF TANGENCY; THENCE NORTH 88 DEGREES 45 MINUTES 33 SECONDS EAST ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER ALSO BEING THE NORTHERLY LINE OF SAID PARCEL "B" 70.00 FEET; THENCE SOUTH 01 DEGREES 14 MINUTES 27 SECONDS EAST PERPENDICULAR TO THE LAST DESCRIBED LINE 1.25 FEET TO A POINT ON THE NORTH LINE OF PARCEL "C" AS DESCRIBED IN SAID DEED; THENCE NORTH 88 DEGREES 45 MINUTES 33 SECONDS EAST PARALLEL WITH THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER, SAID LINE ALSO BEING THE NORTH LINE OF PARCEL "C" 16.00 FEET; THENCE NORTH 01 DEGREES 14 MINUTES 27 SECONDS WEST ALONG THE NORTH LINE OF SAID PARCEL "C" 1.50 FEET; THENCE NORTH 88 DEGREES 55 MINUTES 06 SECONDS EAST ALONG THE NORTH LINE OF SAID PARCEL "C" 180.00 FEET; THENCE SOUTH 01 DEGREES 14 MINUTES 45 SECONDS EAST ALONG THE EAST LINE OF SAID PARCEL "C" 7.95 FEET; THENCE SOUTH 01 DEGREES 14 MINUTES 27 SECONDS EAST PERPENDICULAR TO THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER 4.00 FEET; THENCE NORTH 88 DEGREES 45 MINUTES 33 SECONDS EAST PARALLEL WITH THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER 149.08 FEET TO A POINT ON THE WEST LINE OF SOUTH PULASKI AVENUE AS OCCUPIED; THENCE SOUTH 01 DEGREES 21 MINUTES 07 SECONDS EAST ALONG LAST DESCRIBED LINE 10.00 FEET; THENCE NORTH 88 DEGREES 38 MINUTES 53 SECONDS EAST PERPENDICULAR TO THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER 33.00 FEET; TO THE POINT OF BEGINNING, IN COOK COUNTY ILLINOIS.

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EXHIBIT B PERMITTED ENCUMBRANCES

Easement to construct an intercepting sewer, drain and outlet together with all necessary appurtenances thereto, upon, under and through that part of the land falling in the following described tract: Beginning at the Southeast corner of the Northeast 1/4 of Section 34, Township 39

North, Range 13, thence North along the East line of said section for a distant of 932 feet, thence West at right angles from said section line for a distant of 25 feet, thence South parallel with and 25 feet distant Westerly at right angles from said section line for distant of 260.6 feet more or less to the center thread of the West Fork of the South branch of the Chicago River, thence East at right angles from the last described course for a distant of 20 feet, thence South parallel with and 5 feet distant Westerly at right angles from said section line for a distant of 671.4 feet to the South line of said Northeast 1/4 of Section 34, thence East along said South line of the Northeast 1/4 of Section 34 to the point of beginning containing 9,872 square feet and being in Cook County, Illinois as contained in grant dated October 18, 1927 and recorded October 26, 1927 as Document Number 9821151 made by the Steel Sales Corp to the Sanitary District of Chicago.

(Affects Parcel A)

Rights of ingress and egress over, on or upon Parcels B and C aforesaid to develop; mine, drill, explore for and remove oil, coal, gas, sulfur or other minerals, in, under, or upon said parcels but not through the surface nor in any manner which will disturb the surface of the Chicago and Illinois Western Railroad its successors and assigns in the Deeds recorded August 8, 1957 as Document Number 16979890 and recorded March 11, 1964 as Document Number 19070359.

(Affects Parcels B and C)

Note: We find of record in Cook County, Illinois an Affidavit dated August 7, 1972 and recorded August 24, 1972 as document 22026346 by the Chicago and Illinois Western Railroad, an Illinois corporation, to confirm its desire to preserve its interest to coal, oil, gas and other minerals in Parcels B and C aforesaid and other property not now in question and does not intend to abandon the same.

Easement in, upon, over, under and along that part of Parcels B and C shown shaded on the plat attached as Exhibit "A" to the grant of easement recorded March 4, 1964 as Document Number 19063448 granting unto the Commonwealth Edison Company, its successor and assigns, the perpetual right, permission, easement and authority to construct, operate, use, maintain, repair, replace, relocate, renew and remove aerial wires and/or cables for the transmission and distribution of electric energy together with the right of ingress and egress from said premises at all times for any and all such purposes.

(Affects Parcels B & C, For further particulars, see document)

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Terms and provisions of the Environmental No Further Remediation Letter recorded September 30, 1999 as Document Number 99929772 listing an Industrial/Commercial land use limitation.

(Affects all parcels)

The fact, as disclosed by that certain document or documents recorded September 30, 1999 as Document Number 99929772 of Official Records, that some violation of environmental protection laws may have occurred which may affect the land.

(Affects all parcels)

Terms and provisions of the Environmental No Further Remediation Letter recorded October 7, 2016 as Document Number 1628134061.

(Affects all parcels)

The fact, as disclosed by that certain document or documents recorded October 7, 2016 as Document Number 1628134061 of Official Records, that some violation of environmental protection laws may have occurred which may affect the land.

(Affects all parcels)