

## Illinois Anti-Predatory Lending Database Program

Doc#. 2330006302 Fee: \$107.00  
Karen A. Yarbrough  
Cook County Clerk  
Date: 10/27/2023 04:16 PM Pg: 1 of 65

### Certificate of Exemption



**Report Mortgage Fraud**  
**844-768-1713**

The property identified as: **PIN: 17-10-118-013-0000**

**Address:**

**Street:** 614 North St. Clair

**Street line 2:**

**City:** Chicago

**State:** IL

**ZIP Code:** 60611

**Lender:** John Hancock Life Insurance Company (USA)

**Borrower:** UGP-Ontario / St. Clair LLC

**Loan / Mortgage Amount:** \$52,400,000.00

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:** 4DF51C85-F1F2-46F6-84BA-AF95A3A1F397

**Execution date:** 10/12/2023

# UNOFFICIAL COPY

THIS INSTRUMENT WAS PREPARED BY  
AND AFTER RECORDING RETURN TO:

Fox Swibel Levin & Carroll LLP  
200 West Madison Street  
Suite 3000  
Chicago, Illinois 60606  
Attention: Everett S. Ward, Esq.

Permanent Tax Index Number:  
17-10-118-013-0000

Property Address:  
614 North St. Clair  
Chicago, Illinois 60611

*This space reserved for Recorder's use only.*

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

Executed and effective as of October 12, 2023

**UGP- ONTARIO/ST. CLAIR, LLC**  
(Mortgagor)

TO

**JOHN HANCOCK LIFE INSURANCE COMPANY(U.S.A.)**  
(Mortgagee)

LOCATION OF PROPERTY:

614 North St. Clair  
Chicago, Illinois 60611

# UNOFFICIAL COPY

## TABLE OF CONTENTS

|  | <u>Page</u> |
|--|-------------|
| 1. Payment of Indebtedness and Incorporation of Covenants, Conditions and Agreements .....                   | 5           |
| 2. Warranty of Title.....  | 5           |
| 3. Insurance; Casualty and Property .....  | 5           |
| 4. Payment of Taxes, Etc. ....   | 10          |
| 5. Reserve Fund .....  | 11          |
| 6. Condemnation.....   | 13          |
| 7. Leases and Rents.....   | 14          |
| 8. Maintenance and Use of Mortgaged Property .....   | 16          |
| 9. Transfer or Encumbrance of the Mortgaged Property or Interests in the Mortgagor; Other Indebtedness ..... | 17          |
| 10. Estoppel Certificates .....  | 19          |
| 11. No Cooperative or Condominium.....   | 19          |
| 12. Changes in the Laws Regarding Taxation .....   | 19          |
| 13. No Credits on Account of the Indebtedness .....  | 19          |
| 14. Documentary Stamps .....   | 20          |
| 15. Right of Entry .....   | 20          |
| 16. Books and Records .....  | 20          |
| 17. Performance of Other Agreements .....  | 21          |
| 18. Representations and Covenants Concerning Loan .....  | 21          |
| 19. Special Purpose Bankruptcy Remote Entity/Separateness .....  | 24          |
| 20. Events of Default; Remedies .....  | 26          |
| 21. Additional Remedies.....   | 28          |
| 22. Right to Cure Defaults .....   | 30          |
| 23. Late Payment Charge.....   | 30          |
| 24. Prepayment .....   | 31          |
| 25. Prepayment After Event of Default .....  | 31          |
| 26. Appointment of Receiver.....   | 31          |
| 27. Security Agreement .....   | 31          |
| 28. Authority .....  | 32          |
| 29. Actions and Proceedings.....   | 33          |
| 30. Further Acts, Etc. ....  | 33          |
| 31. Recording of Mortgage, Etc.....  | 33          |
| 32. Usury Laws .....   | 34          |
| 33. Sole Discretion of Mortgagee .....   | 34          |
| 34. Recovery of Sums Required To Be Paid .....   | 34          |
| 35. Marshalling and Other Matters .....  | 34          |
| 36. Waiver of Notice.....  | 34          |
| 37. Remedies of Mortgagor .....  | 34          |
| 38. Reporting Requirements .....   | 35          |
| 39. Hazardous Materials .....  | 35          |
| 40. Asbestos .....   | 37          |
| 41. Bankruptcy or Insolvency .....   | 38          |

# UNOFFICIAL COPY

|     |   |    |
|-----|---|----|
| 42. | Compliance with ERISA and State Statutes on Governmental Plans..... | 38 |
| 43. | Assignments.....  | 40 |
| 44. | Cooperation.....  | 40 |
| 45. | Indemnification for Recourse Obligations.....                       | 41 |
| 46. | Exculpation and Recourse.....                                       | 41 |
| 47. | Notices .....   | 41 |
| 48. | Non-Waiver.....   | 43 |
| 49. | Joint and Several Liability .....                                   | 43 |
| 50. | Limitation of Liability of Trustees .....                           | 43 |
| 51. | Severability .....  | 43 |
| 52. | Duplicate Originals .....   | 43 |
| 53. | Indemnity and Mortgagee's Costs .....                               | 43 |
| 54. | Certain Definitions.....  | 44 |
| 55. | No Oral Change.....   | 44 |
| 56. | No Foreign Person .....   | 44 |
| 57. | Separate Tax Lot.....   | 44 |
| 58. | Right to Release Any Portion of the Mortgaged Property .....        | 44 |
| 59. | Subrogation.....  | 45 |
| 60. | Administrative Fees .....   | 45 |
| 61. | Disclosure .....  | 45 |
| 62. | Headings, Etc. ....   | 45 |
| 63. | Address of Real Property .....                                      | 45 |
| 63. | Method of Payment.....  | 45 |
| 65. | Publicity .....   | 45 |
| 66. | Relationship.....   | 46 |
| 67. | Homestead.....  | 46 |
| 68. | No Third Party Beneficiaries.....                                   | 46 |
| 69. | Compliance with Regulation U.....                                   | 46 |
| 70. | Entire Agreement.....   | 46 |
| 71. | Servicer .....  | 46 |
| 72. | Book Entry.....   | 46 |
| 73. | Governing Law; Consent to Jurisdiction.....                         | 46 |
| 74. | Illinois State Law Provisions .....                                 | 47 |

# UNOFFICIAL COPY

## INDEX OF DEFINED TERMS

|  |       |
|--|-------|
| Additional Land .....                    | 2     |
| Architect.....                           | 8     |
| Assignee.....                            | 14    |
| Assignment of Leases and Rents .....     | 15    |
| Assignor .....                           | 14    |
| Bankruptcy Code .....                    | 3     |
| Code .....                               | 34    |
| Collateral.....                          | 33    |
| Depository.....                          | 10    |
| Environmental Laws .....                 | 37    |
| Equipment.....                           | 3     |
| ERISA .....                              | 40    |
| Event of Default.....                    | 27    |
| Financial Control Laws.....              | 23    |
| Financial Statements .....               | 21    |
| Guarantor .....                          | 46    |
| Guaranty.....                            | 46    |
| Hazardous Materials .....                | 37    |
| Improvements .....                       | 2     |
| Indebtedness.....                        | 2     |
| Indemnified Parties .....                | 42    |
| Independent Manager.....                 | 26    |
| Insolvency Opinion.....                  | 27    |
| Land .....                               | 2     |
| Late Charge.....                         | 32    |
| Leases.....                              | 3     |
| Loan Documents .....                     | 46    |
| Management Agreement.....                | 23    |
| Manager .....                            | 23    |
| Mold.....                                | 37    |
| Mortgage.....                            | 1     |
| Mortgaged Property .....                 | 2, 46 |
| Mortgagee .....                          | 46    |
| Mortgagor .....                          | 1, 46 |
| Notes .....                              | 2, 46 |
| OFAC.....                                | 24    |
| Other Charges .....                      | 11    |
| Permitted Encumbrances .....             | 6     |
| Person.....                              | 46    |
| Policies.....                            | 7     |
| Real Property .....                      | 2     |
| Rents .....                              | 4, 15 |
| Repair and Remediation Reserve Fund..... | 13    |

# UNOFFICIAL COPY

|                                    |        |
|------------------------------------|--------|
| Reserve Fund .....                 | 13     |
| Restoration .....                  | 7      |
| Secondary Market Transactions..... | 42     |
| Servicer .....                     | 49     |
| Small Lease .....                  | 15     |
| Substantial Damage .....           | 7      |
| Tax and Insurance Fund.....        | 11, 12 |
| Tax Contest Conditions.....        | 11     |
| Taxes .....                        | 11     |
| Termination Amount.....            | 15     |
| UGP-Everest of Default.....        | 27     |
| UGPT .....                         | 45     |
| Uniform Commercial Code.....       | 3      |

Property of Cook County Clerk's Office

**UNOFFICIAL COPY**

Loan Nos. 531109:11 and 531109:51

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "**Mortgage**"), executed October 12, 2023 and effective as of the 30th day of June, 2023, by **UGP- ONTARIO/ST. CLAIR, LLC**, a Delaware limited liability company, having its principal place of business c/o InterPark Holdings LLC, 200 North LaSalle Street, Suite 400, Chicago, Illinois 60601 ("**Mortgagor**"), to and for the benefit of **JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)**, a Michigan corporation, having an address at 197 Clarendon Street, C-3, Boston, Massachusetts 02116 ("**John Hancock**"), as collateral agent for itself and any other noteholders ("**Mortgagee**").

**RECITALS:**

A. Mortgagor is the owner of certain real property commonly and legally described on Exhibit A attached hereto and made a part hereof.

B. Pursuant to a certain Loan Agreement dated the date hereof between Mortgagor and certain affiliated parties (Mortgagor and such other parties are collectively referred to herein as the "**Borrowers**") and Mortgagee (the "**Loan Agreement**"), Mortgagor is jointly and severally liable with the other Borrowers as the makers of the Notes dated the date hereof in the aggregate amount of Fifty-Two Million Four Hundred Thousand and No/100 Dollars (\$52,400,000.00) (together with all extensions, renewals or modifications thereof, collectively, the "**Notes**"), and made payable to the order of various of the parties comprising Mortgagee as are identified therein, which Notes -- if not due and payable at an earlier date set forth therein -- shall mature and be due and payable in full on or before November 1, 2030.

C. As security for the Notes, in addition to the execution and delivery by Mortgagor to Mortgagee of this instrument, the other parties constituting the Borrowers have executed and delivered to Lenders a certain other Deed of Trust, Assignment of Leases and Rents, Security Agreements and Fixture Filing dated the date hereof and recorded concurrently herewith (this instrument, together with such other instruments, are hereinafter referred to as the "**Mortgages**") in the Offices of the Recorder in which the properties subject to all of the Mortgages (the "**Mortgaged Properties**") are located (the foregoing Notes and Mortgages are collectively referred to herein as the "**Loan Documents**").

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the Mortgagee making to Mortgagor and the other Borrowers the loan evidenced by the Notes pursuant to the terms of the Loan Agreement (the "**Loan**"), Mortgagor covenants and agrees for the benefit of the Mortgagee as follows:

**W I T N E S S E T H:**

To secure the payment of an indebtedness in the aggregate principal sum of ONE FIFTY-TWO MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$52,400,000.00), lawful money of the United States of America, to be paid with interest and all other sums and fees payable according to the Notes described above, and the loan and all indebtedness, obligations, liabilities and expenses due hereunder and under any other Loan

# UNOFFICIAL COPY

Document (as hereinafter defined) (the indebtedness, interest, other sums, fees, obligations and all other sums due under the Notes and/or hereunder and/or any other Loan Document being collectively called the “**Indebtedness**”), Mortgagor has warranted, mortgaged, given, granted, bargained, sold, alienated, enfeoffed, conveyed, confirmed, pledged, assigned and hypothecated and by these presents does warrant, mortgage, give, grant, bargain, sell, alienate, enfeoff, convey, confirm, pledge, assign and hypothecate unto Mortgagee and hereby grants unto Mortgagee a security interest in the following property and rights, whether now owned or held or hereafter acquired (collectively, the “**Mortgaged Property**”):

## GRANTING CLAUSE ONE

All of Mortgagor’s right, title and interest in and to the real property or properties described on Exhibit A hereto (collectively, the “**Land**”).

## GRANTING CLAUSE TWO

All additional lands, estates and development rights hereafter acquired by Mortgagor for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise, be expressly made subject to the lien hereof (collectively, the “**Additional Land**”).

## GRANTING CLAUSE THREE

Any and all buildings, structures, fixtures, and any additions, enlargements, extensions, modifications, repairs, replacements and improvements thereto now or hereafter located on the Land or any part thereof (collectively, the “**Improvements**”); the Land, the Additional Land and the Improvements hereinafter collectively referred to as the “**Real Property**”).

## GRANTING CLAUSE FOUR

All easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, oil, gas and mineral rights, air rights and development rights, zoning rights, tax credits or benefits and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever in any way now or hereafter belonging, relating or pertaining to the Real Property or any part thereof and the reversion and reversions, remainder and remainders and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land or any part thereof to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both in law and in equity, of Mortgagor in, of and to the Real Property and every part and parcel thereof, with the appurtenances thereto.

## GRANTING CLAUSE FIVE

All machinery, equipment, fixtures and other property of every kind and nature whatsoever owned by Mortgagor or in which Mortgagor has or shall have an interest (to the extent of such interest) now or hereafter located upon the Real Property or appurtenant thereto and usable in connection with the present or future operation and occupancy of the Real Property



# UNOFFICIAL COPY

and all building equipment, materials and supplies of any nature whatsoever owned by Mortgagor or in which Mortgagor has or shall have an interest (to the extent of such interest) now or hereafter located upon the Real Property or appurtenant thereto or usable in connection with the present or future operation and occupancy of the Real Property, including but not limited to all heating, ventilating, air conditioning, plumbing, lighting, communications and elevator machinery, equipment and fixtures (hereinafter collectively called the “**Equipment**”) and the right, title and interest of Mortgagor in and to any of the Equipment which may be subject to any security agreements (as defined in the Uniform Commercial Code of the State in which the Mortgaged Property is located (the “**Uniform Commercial Code**”)) superior, inferior or pari passu in lien to the lien of this Mortgage. In connection with Equipment which is leased to Mortgagor or which is subject to a lien or security interest which is superior to the lien of this Mortgage, this Mortgage shall also cover all right, title and interest of each Mortgagor in and to all deposits and the benefit of all payments now or hereafter made with respect to such Equipment. This Mortgage expressly excludes any buses or automobiles owned by Trustor or any of its Affiliates.

## GRANTING CLAUSE SIX

All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Real Property or any part thereof, whether from the exercise of the right of eminent domain (including but not limited to any transfer made in lieu of or in anticipation of the exercise of said right), or for a change of grade or for any other injury to or decrease in the value of the Real Property.

## GRANTING CLAUSE SEVEN

To the extent assignable, all leases and subleases (to the extent Mortgagor is a party) (including, without limitation, all parking license agreements, ground leases, parking agreements, license agreements, antennae leases, billboard agreements, and valet agreements, and all guarantees thereof) and other agreements affecting the use, enjoyment and/or occupancy of the Real Property or any part thereof, now or hereafter entered into (including any use or occupancy arrangements created pursuant to Section 365(h) of Title 11 of the United States Code (the “**Bankruptcy Code**”) or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings or any assignment for the benefit of creditors in respect of any tenant or occupant of any portion of the Real Property), together with any extension or renewal of the same (the “**Leases**”) and all income, rents, issues, profits, revenues and proceeds including, but not limited to, all oil and gas or other mineral royalties and bonuses from the Real Property (including any payments received pursuant to Section 502(b) of the Bankruptcy Code or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings or any assignment for the benefit of creditors in respect of any tenant or occupant of any portion of the Real Property and all claims as a creditor in connection with any of the foregoing) (the “**Rents**”) and all proceeds from the sale, cancellation, surrender or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Indebtedness pursuant to the Loan Documents.

# UNOFFICIAL COPY

## GRANTING CLAUSE EIGHT

All proceeds of and any unearned premiums on any insurance policies covering the Real Property or any part thereof including, without limitation, the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damage to the Real Property or any part thereof.

## GRANTING CLAUSE NINE

All tax refunds, including interest thereon, tax credits and tax abatements and the right to receive or benefit from the same, which may be payable or available with respect to the Real Property.

## GRANTING CLAUSE TEN

The right, in the name and on behalf of Mortgagor, to appear in and defend any action or proceeding brought with respect to the Real Property or any part thereof and to commence any action or proceeding to protect the interest of Mortgagee in the Real Property or any part thereof.

## GRANTING CLAUSE ELEVEN

All accounts receivable, utility or other deposits, intangibles, contract rights, interests, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Real Property or any part thereof.

## GRANTING CLAUSE TWELVE

All rights which Mortgagor now has or may hereafter acquire to be indemnified and/or held harmless from any liability, loss, damage, cost or expense (including, without limitation, reasonable attorneys' fees and disbursements) relating to the Real Property or any part thereof.

## GRANTING CLAUSE THIRTEEN

All plans and specifications, maps, surveys, studies, reports, contracts, subcontracts, service contracts, management contracts, franchise agreements and other agreements, franchises, trade names, trademarks, symbols, service marks, approvals, consents, permits, special permits, licenses and rights, whether governmental or otherwise, respecting the use, occupation, development, construction and/or operation of the Real Property or any part thereof or the activities conducted thereon or therein, or otherwise pertaining to the Real Property or any part thereof, excluding however any trademark rights in the names "InterPark" or "iParkit" and any derivations thereof.

## GRANTING CLAUSE FOURTEEN

All proceeds, products, offspring, rents and profits from any of the foregoing, including, without limitation, those from sale, exchange, transfer, collection, loss, damage, disposition, substitution or replacement of any of the foregoing.

# UNOFFICIAL COPY

WITH RESPECT to any portion of the Mortgaged Property which is not real estate under the laws of the State in which the Mortgaged Property is located, Mortgagor hereby grants, bargains, sells and conveys the same to Mortgagee for the purposes set forth hereunder and Mortgagee shall be vested with all rights, power and authority granted hereunder or by law to Mortgagee with respect thereto.

TO HAVE AND TO HOLD the above granted and described Mortgaged Property unto and to the use and benefit of Mortgagee and the successors and assigns of Mortgagee forever subject to the Permitted Encumbrances (defined below).

PROVIDED, HOWEVER, these presents are upon the express condition, if Mortgagor shall well and truly pay to Mortgagee the Indebtedness at the time and in the manner provided in the Notes and this Mortgage and shall well and truly abide by and comply with each and every covenant and condition set forth herein, in the Notes and in the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void.

AND Mortgagor represents and warrants to and covenants and agrees with Mortgagee as follows:

## PART I - GENERAL PROVISIONS

**1. Payment of Indebtedness and Incorporation of Covenants, Conditions and Agreements.** Mortgagor shall pay the Indebtedness at the time and in the manner provided in the Notes, this Mortgage and the other Loan Documents. All the covenants, conditions and agreements contained in the Notes and the other Loan Documents (excluding those that are unique to any Borrower or the property owned by it) are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

**2. Warranty of Title.** As of the date hereof, Mortgagor has good and marketable title to the Mortgaged Property, subject to the Permitted Encumbrances; Mortgagor has the right to mortgage, give, grant, bargain, sell, alienate, enfeoff, convey, confirm, pledge, lease, assign, hypothecate and grant a security interest in the Mortgaged Property; Mortgagor possesses an indefeasible fee estate in the Real Property, subject to the Permitted Encumbrances; and Mortgagor owns the Mortgaged Property free and clear of all liens, encumbrances and charges whatsoever except those exceptions shown in the title insurance policy insuring the lien of this Mortgage (this Mortgage and the liens, encumbrances and charges shown as exceptions in such title policy or approved by Mortgagee in writing after the date hereof, hereinafter collectively referred to as the "**Permitted Encumbrances**"). Mortgagor shall forever warrant, defend and preserve such title and the validity and priority of the lien of this Mortgage and shall forever warrant and defend the same to Mortgagee against the claims of all persons whomsoever, subject to the Permitted Encumbrances.

**3. Insurance; Casualty and Property.**

(a) Mortgagor, at its sole cost and expense, shall keep the Mortgaged Property insured during the term of this Mortgage for the mutual benefit of Mortgagor and Mortgagee against loss or damage by any peril covered by a standard "special perils" or "all-risk-of-physical-loss" insurance policy including, without limitation, riot and civil commotion,

# UNOFFICIAL COPY

acts of terrorism, vandalism, malicious mischief, burglary, and theft in an amount (i) equal to at least one hundred percent (100%) of the then “full replacement cost” of the Improvements and Equipment, without deduction for physical depreciation and (ii) such that the insurer would not deem Mortgagor a coinsurer under such policies. The policies of insurance carried in accordance with this Paragraph 3 shall be paid annually in advance and shall contain the “Replacement Cost Endorsement” with a waiver of depreciation, and shall have a deductible no greater than \$100,000 (except for category deductibles calculated on a percentage basis), unless so agreed by Mortgagee. In addition, Mortgagee may, at its option, retain the services of a firm to monitor the policies of insurance for conformance with this Mortgage, the cost of which shall be borne by Mortgagor.

(b) Mortgagor, at its sole cost and expense, for the mutual benefit of Mortgagor and Mortgagee, shall also obtain and maintain during the term of this Mortgage the following policies of insurance:

(i) [Intentionally Deleted]

(ii) Commercial general liability insurance, including broad form property damage, blanket contractual and personal injuries (including death resulting therefrom) coverages.

(iii) Rental loss insurance in an amount equal to at least one hundred percent (100%) of the aggregate annual amount of all rents and additional rents payable by all of the tenants under the Leases (whether or not such Leases are terminable in the event of a fire or casualty), such rental loss insurance to cover rental losses for a period of at least one (1) year after the date of the fire or casualty in question. The amount of such rental loss insurance shall be increased from time to time during the term of this Mortgage as and when new Leases and renewal Leases are entered into in accordance with the terms of this Mortgage, to reflect all increased rent and increased additional rent payable by all of the tenants under such renewal Leases and all rent and additional rent payable by all of the tenants under such new Leases.

(iv) Insurance against loss or damage from explosion of steam boilers, air conditioning equipment, high pressure piping, machinery and equipment, pressure vessels or similar apparatus now or hereafter installed in the Improvements.

(v) Such other insurance (including, without limitation, earthquake insurance) as may from time to time be reasonably required by Mortgagee in order to protect its interests or, in the event of a Secondary Market Transaction, as required by the Rating Agencies (as such terms are hereinafter defined).

(c) All policies of insurance (the “Policies”) required pursuant to this Paragraph 3 (i) shall be issued by an insurer satisfactory to Beneficiary (and, in the event of a Secondary Market Transaction, to the Rating Agencies), (ii) shall contain the standard New York Beneficiary non-contribution clause naming Beneficiary as the person to which all payments made by such insurance company shall be paid, (iii) shall be maintained throughout the term of this Deed of Trust without cost to Beneficiary, (iv) shall be delivered to Beneficiary, (v) shall contain such provisions as Beneficiary deems reasonably necessary or desirable to protect its

# UNOFFICIAL COPY

interest including, without limitation, endorsements providing that neither Trustor, Trustee, Beneficiary nor any other party shall be a co-insurer under such Policies and that Beneficiary shall receive at least thirty (30) days' prior written notice (ten (10) days in the case of non-payment) of any modification or cancellation and (vi) shall be satisfactory in form and substance to Beneficiary (and, in the event of a Secondary Market Transaction, to the Rating Agencies) and shall be approved by Beneficiary (and, in the event of a Secondary Market Transaction, by the Rating Agencies) as to amounts, form, risk coverage, deductibles, loss payees and insureds. All amounts recoverable thereunder are hereby assigned to the Beneficiary. Trustor will deliver to Beneficiary satisfactory evidence of the renewal of each of the Policies prior to the expiration date of each Policy.

(d) If the Improvements shall be damaged or destroyed, in whole or in material part, by fire or other casualty, Mortgagor shall give prompt notice thereof to Mortgagee and prior to the making of any repairs thereto. Following the occurrence of fire or other casualty that does not constitute Substantial Damage (defined below), regardless of whether insurance proceeds are payable under the Policies, Mortgagor shall promptly proceed with the repair, alteration, restoration, replacement or rebuilding of the Improvements as near as possible to their value, utility, condition and character prior to such damage or destruction. Such repairs, alterations, restoration, replacement and rebuilding are herein collectively referred to as the "**Restoration**". However, if the damage to the Improvements constitutes Substantial Damage, Mortgagor at its option may either (i) elect to proceed with the Restoration, or (ii) proceed under Section 13.3 of the Loan Agreement. For purposes hereof, "**Substantial Damage**" shall mean any damage or destruction caused by a casualty or condemnation, the Restoration of which involves an estimated cost to complete which would exceed fifty percent (50%) of the Allocated Loan Amount (as set forth in the Loan Agreement) for the Mortgaged Property. Any Restoration shall be performed in accordance with the following provisions:

(i) Mortgagor shall procure, pay for and furnish to Mortgagee true copies of all required governmental permits, certificates and approvals with respect to the Restoration.

(ii) Mortgagor shall furnish Mortgagee, within sixty (60) days of the casualty, evidence reasonably satisfactory to Mortgagee of the cost to complete the Restoration.

(iii) If the estimated cost to complete the Restoration exceeds five percent (5%) of the Allocated Loan Amount (as set forth in the Loan Agreement) for the Mortgaged Property, the Restoration shall be conducted under the supervision of an architect (the "**Architect**") selected by Mortgagor and approved by Mortgagee (which approval shall not be unreasonably withheld), and no such Restoration shall be made except in accordance with detailed plans and specifications, detailed cost estimates and detailed work schedules approved by Mortgagee (which approval shall not be unreasonably withheld).

(iv) Intentionally deleted.

(v) The Restoration shall be prosecuted to completion with all due diligence and in an expeditious and first class workmanlike manner and in material

# UNOFFICIAL COPY

compliance with all laws and other governmental requirements, all permits, certificates and approvals, all requirements of fire underwriters and all insurance policies then in force with respect to the Real Property.

(vi) At all times when any work is in progress, Mortgagor shall maintain all insurance then required by law with respect to such work, and, prior to the commencement of any work, shall furnish to Mortgagee duplicate originals or certificates of the policies therefor.

(vii) Upon completion of the Restoration, Mortgagor shall obtain (A) any occupancy permit which may be required for the Improvements and (B) all other governmental permits, certificates and approvals and all permits, certificates and approvals of fire underwriters which are required for or with respect to the Restoration, and shall furnish true copies thereof to Mortgagee.

(viii) An Event of Default (as hereinafter defined) shall be deemed to have occurred under this Mortgage if Mortgagor, after having commenced demolition or construction of any Improvements, shall abandon such demolition or the construction work or shall fail to complete such demolition and construction within a reasonable time after the commencement thereof.

(e) Mortgagor and Mortgagee shall jointly adjust and settle all property insurance claims; provided, however, that so long as no Monetary/Bankruptcy Default (as defined in the Loan Agreement) is continuing, Mortgagee shall not participate in the adjustment of any loss if the estimated cost of repair or recovery does not exceed the greater of \$500,000.00 or two percent (2%) of the Allocated Loan Amount (as set forth in the Loan Agreement) for the Mortgaged Property. In the event of any insured loss, the payment for such loss shall be made directly to Mortgagee. Any insurance proceeds payable under any of the Policies may, at the option of Mortgagee, be used in one or more of the following ways: (w) applied to the Indebtedness, whether such Indebtedness then be matured or unmatured (such application to be without prepayment fee or premium), (x) used to fulfill any of the covenants contained herein as the Mortgagee may determine, (y) if an Event of Default has occurred and is continuing, used to replace or restore the property to a condition satisfactory to the Mortgagee, or (z) released to the Mortgagor. Notwithstanding the foregoing, provided (i) the amount of the loss does not exceed fifty percent (50%) of the Allocated Loan Amount for the Mortgaged Property, (ii) no Event of Default has occurred and remains uncured at the time of such application, (iii) the insurer does not deny liability to any named insured, (iv) business interruption insurance is available and in full force and effect, (v) the remaining Improvements continue at all times to comply with all applicable building, zoning and other land use laws and regulations, (vi) in Mortgagee's reasonable judgment, the Restoration is practicable and can be completed within one (1) year after the damage, destruction or loss and at least one (1) year prior to the Maturity Date (as such term is defined in the Loan Agreement), (vii) rebuilding of the Improvements to substantially identical size, condition and use as existed prior to the casualty is permitted by all applicable laws and ordinances, (viii) the Mortgagor has access to sufficient funds, including insurance proceeds, to complete the Restoration, and (ix) the projected net operating revenues upon completion of the restoration will not be materially less than the net operating revenues immediately prior to the casualty (and in all events such projected net

# UNOFFICIAL COPY

operating revenues must be adequate to pay debt service), then Mortgagee shall make all of such proceeds available to Mortgagor to be used for Restoration. Any application of insurance proceeds to the Indebtedness shall be to the unpaid installments of principal due under the Notes in the inverse order of their maturity, such that the regular payments under the Notes shall not be reduced or altered in any manner. In the event the above criteria are satisfied (including that no Event of Default has occurred and is continuing hereunder, under the Notes or other Loan Documents) or Mortgagee otherwise elects to allow the use of such proceeds for the Restoration, such proceeds shall be disbursed in accordance with the following provisions:

(i) Each request for an advance of insurance proceeds shall be made on seven (7) days' prior notice to Mortgagee and shall be accompanied by a certificate of the Architect, if one be required under Paragraph 3(d)(iii) above, otherwise by an executive officer or managing general partner or managing member of Mortgagor, stating (A) that all work completed to date has been performed in compliance with the approved plans and specifications and in accordance with all provisions of law, (B) the sum requested is properly required to reimburse Mortgagor for payments by Mortgagor to, or is properly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services or materials for the Restoration (giving a brief description of such services and materials), and that when added to all sums, if any, previously disbursed by Mortgagee, does not exceed the value of the work done to the date of such certificate and (C) that the amount of such proceeds remaining in the hands of Mortgagee will be sufficient on completion of the work to pay the same in full (giving, in such reasonable detail as Mortgagee may require, an estimate of the cost of such completion).

(ii) Each request for an advance of insurance proceeds shall, to the extent permitted under applicable law, be accompanied by waivers of liens satisfactory to Mortgagee covering that part of the Restoration previously paid for, if any, and by a search prepared by a title company or by other evidence reasonably satisfactory to Mortgagee including without limitation a title endorsement satisfactory to Mortgagee if available in the state where the Real Property is located, that there has not been filed with respect to the Real Property any mechanic's lien or other lien or instrument and that there exist no encumbrances on or affecting the Real Property other than the Permitted Encumbrances or otherwise approved by Mortgagee. In addition to the foregoing, the request for the final advance shall be accompanied by (A) any final occupancy permit which may be required for the Improvements, (B) all other governmental permits, certificates and approvals and all other permits necessary for the occupancy and operation of the Real Property, (C) Tenant estoppels from tenants, if any, whose space was affected and (D) final lien waivers from all contractors, subcontractors and materialmen.

(iii) No advance of insurance proceeds shall be made if there exists an Event of Default on the part of Mortgagor under this Mortgage, the Notes or any other Loan Document.

(iv) If the cost of the Restoration (as reasonably estimated by Mortgagee) at any time shall exceed the amount of the insurance proceeds available therefor, insurance proceeds shall not be advanced until Mortgagor, before commencing

# UNOFFICIAL COPY

the Restoration or continuing the Restoration, as the case may be, shall deposit the full amount of the deficiency (or other assurances reasonably satisfactory to Mortgagee) with Mortgagee and the amount so deposited shall first be applied toward the cost of the Restoration before any portion of the insurance proceeds is disbursed for such purpose.

Upon completion of the Restoration and payment in full therefor, or upon failure on the part of Mortgagor promptly to commence or diligently to continue the Restoration, or at any time upon request by Mortgagor, Mortgagee may apply the amount of any such proceeds then or thereafter in the hands of Mortgagee to the payment of the Indebtedness; provided, however, that nothing herein contained shall prevent Mortgagee from applying at any time the whole or any part of such proceeds to the curing of any monetary Event of Default that has not been cured within the applicable cure period under this Mortgage, the Notes or any other Loan Document.

(f) Insurance proceeds and any additional funds deposited by Trustor with Beneficiary shall constitute additional security for the Indebtedness. Trustor shall execute, deliver, file and/or record, at its expense, such documents and instruments as Beneficiary deems necessary or advisable to grant to Beneficiary a perfected, first priority security interest in the insurance proceeds and such additional funds. If Beneficiary elects to have the insurance proceeds applied to Restoration, (i) the insurance proceeds shall be disbursed in instalments by Beneficiary and (ii) all reasonable costs and expenses incurred by Beneficiary in connection with the Restoration, including, without limitation, reasonable counsel fees and costs, shall be paid by Trustor.

#### 4. Payment of Taxes, Etc.

(a) Subject to Mortgagor's right to contest the same in accordance with the Loan Documents, Mortgagor shall pay all taxes, assessments, water rates and sewer rents, now or hereafter levied or assessed or imposed against the Mortgaged Property or any part thereof (the "Taxes") and all ground rents, maintenance charges, other governmental impositions, and other charges, including, without limitation, vault charges and license fees (collectively, "Other Charges") for the use of vaults, chutes and similar areas adjoining the Real Property, as same become due and payable. Mortgagor will deliver to Mortgagee, promptly upon Mortgagee's request, evidence satisfactory to Mortgagee that the Taxes and Other Charges have been so paid and are not then delinquent or are being contested. Subject to Mortgagor's right to contest the same in accordance with the Loan Documents, Mortgagor shall not suffer or permit any lien or charge (including, without limitation, any mechanic's lien) against all or any part of the Mortgaged Property and Mortgagor shall promptly cause to be paid and discharged any lien or charge whatsoever which may be or become a lien or charge against the Mortgaged Property, and Mortgagor shall promptly pay for all utility services provided to the Mortgaged Property. In addition, Mortgagee may, at its option, retain the services of a firm to monitor the payment of Taxes, the reasonable cost of which shall be borne by Mortgagor.

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph 4, Mortgagor shall have the right to contest in good faith the amount or validity of any such Taxes, liens or Other Charges (including, without limitation, tax liens and mechanics' liens) referred to in subparagraph (a) above by appropriate legal proceedings and in accordance with all applicable law, after notice to, but without cost or expense to, Mortgagee, provided that



# UNOFFICIAL COPY

(i) Mortgagor pays such Taxes, liens or Other Charges as same become due and payable, unless Mortgagor delivers evidence reasonably satisfactory to Mortgagee that, as a result of Mortgagor's contest, Mortgagor's obligation to pay such Taxes, liens or Other Charges has been deferred by the appropriate governmental authority, in which event, Mortgagor may defer such payment of such Taxes, liens or Other Charges until the date specified by such governmental authority, (ii) such contest shall be promptly and diligently prosecuted by and at the expense of Mortgagor, (iii) Mortgagee shall not thereby suffer any civil penalty, or be subjected to any criminal penalties or sanctions, (iv) such contest shall be discontinued and such Taxes, liens or Other Charges promptly paid if at any time all or any part of the Mortgaged Property shall be in imminent danger of being foreclosed, sold, forfeited or otherwise lost or if the lien and security interest created by this Mortgage or the priority thereof shall be in imminent danger of being impaired, (v) Mortgagor shall have set aside adequate reserves (in Mortgagee's reasonable judgment) for the payment of such Taxes, liens or Other Charges, together with all interest and penalties thereon and (vi) Mortgagor shall have furnished such security as may be required in the proceeding or as may be reasonably requested by Mortgagee, to insure the payment of any such Taxes, liens or Other Charges, together with all interest and penalties thereon (the foregoing clauses (i) through (vi) are hereinafter referred to as the "**Tax Contest Conditions**").

## 5. Reserve Fund.

(a) Tax and Insurance Fund. Mortgagor shall pay to Mortgagee on the first business day of each calendar month such amounts as Mortgagee from time to time reasonably estimates to be sufficient to create and maintain a reserve fund from which (i) to pay the Taxes and Other Charges, at least thirty (30) days prior to the date they are due without the payment of any penalties or interest, and (ii) to pay, at least ten (10) days prior to their due date for the renewal of the coverage afforded by the Policies upon the expiration thereof, the insurance premiums for the Policies estimated by Mortgagee to be payable on such due date, (said amounts in (i) and (ii) above hereafter called the "**Tax and Insurance Fund**").

(1) Notwithstanding the foregoing clause (i) of this subsection (a), provided (V) the original Trustor identified on the first page hereof is and remains the owner of the Trust Property, (W) no Event of Default has occurred and is continuing under this Deed of Trust or any of the Loan Documents beyond any applicable notice or cure period, (X) subject to Trustor's right to contest the same and subject to the Tax Contest Conditions provided for in Paragraph 4(b) above, Trustor pays such Taxes and Other Charges at least fourteen (14) days prior to delinquency, promptly upon Beneficiary's request, provides evidence of such timely payment to Beneficiary, and (Y) if so elected by Beneficiary at any time after Trustor has been delinquent in paying Taxes and Other Charges, Trustor pays from time to time the reasonable fees charged by a tax reporting service engaged by Beneficiary to monitor the status of payment of Taxes affecting the Trust Property, then Mortgagee will not require Mortgagor to make the deposits referred to in clause (i) of this subsection (a). In the event Trustor is hereafter required to make the deposits referred to in clause (i) of this subsection (a) on account of Trustor's failure to satisfy all of the requirements of the preceding sentence, Trustor agrees at Trustor's sole cost and expense, upon request thereafter of Beneficiary, to promptly execute and deliver to Beneficiary a written agreement for the making of such deposits in the future.

# UNOFFICIAL COPY

(2) Notwithstanding the foregoing clause (ii) of this subsection (a), provided (W) no Event of Default has occurred and is continuing under this Mortgage or any of the Loan Documents beyond any applicable notice or cure period, (X) the original Mortgagor named on the first page of this Mortgage is and remains the owner of the Mortgaged Property, (Y) InterPark Holdings LLC is the owner, directly or indirectly, of all of the ownership interests in Mortgagor and continues to control and manage the day-to-day operations of Mortgagor and the Mortgaged Property, and (Z) Mortgagor complies in full with all obligations in the Loan Documents regarding insurance, including without limitation providing Mortgagee with timely evidence promptly upon Mortgagee's request (i) that the required insurance is in place for the Mortgaged Property, and (ii) that all insurance premiums are paid in full when due, then Mortgagee will not require Mortgagor to make the deposits referred to in clause (ii) of this subsection (a). In the event Mortgagor is hereafter required to make the monthly deposits referred to in clause (ii) of this subsection (a) on account of Mortgagor's failure to satisfy all of the requirements of the preceding sentence related thereto, Mortgagor agrees at Mortgagor's sole cost and expense, upon request thereafter of Mortgagee, to promptly execute and deliver to Mortgagee a written agreement for the making of such monthly deposits in the future.

(b) Repair and Remediation Reserve Fund. If reasonably required by Mortgagee pursuant to Section 5.3 of the Loan Agreement, Mortgagor shall enter into a Replacement/Repair Agreement (as defined in the Loan Agreement) pursuant to Section 5.3 of the Loan Agreement (the "**Repair and Remediation Reserve Fund**"). The Repair and Remediation Reserve Fund shall be maintained pursuant to the Replacement/Repair Agreement.

The amounts in (a) and (b) above shall hereinafter be collectively called the "**Reserve Fund**". Mortgagor hereby pledges to Mortgagee any and all monies now or hereafter deposited as the Reserve Fund as additional security for the payment of the Indebtedness. Mortgagee shall apply the Reserve Fund to payments of Taxes, Other Charges, insurance premiums and, as applicable, payments for replacements and capital repairs, and repairs and remediations required to be made by Mortgagor pursuant to the terms hereof or pursuant to the terms of any other Loan Documents; provided, however, if there is an Event of Default which is continuing, then Mortgagee may credit such Reserve Fund against the Indebtedness in such priority and proportions as Mortgagee in its discretion shall deem proper. If the Reserve Fund is not sufficient to fully pay for the Taxes, Other Charges and/or the insurance premiums or, as applicable, amounts for replacements and capital repairs, tenant improvements and leasing commissions and repairs and remediation when due, Mortgagor shall promptly pay to Mortgagee, upon demand, an amount which Mortgagee shall estimate as sufficient to make up the deficiency. The Reserve Fund shall not constitute a trust fund and may be commingled with other monies held by Mortgagee. The Reserve Fund shall be held in an interest bearing account(s) reasonably satisfactory to Mortgagor, so long as Mortgagor is responsible for all costs incurred in setting up and maintaining such account(s).

(c) As used in this Mortgage, the terms Debt Service Coverage Ratio, Net Cash Flow, Debt Service, Gross Income and Expenses shall have the meanings ascribed to them in the Loan Agreement.

# UNOFFICIAL COPY

6. **Condemnation.** Mortgagor shall promptly give Mortgagee written notice of the actual or threatened commencement of any condemnation or eminent domain proceeding and shall deliver to Mortgagee copies of any and all papers served in connection with such proceedings. Following the occurrence of a condemnation, if (1) the damage from such condemnation does not constitute Substantial Damage, and (2) it is possible to restore the Mortgaged Property to substantially the same condition as existed prior to the condemnation (and any awards are payable to or are made available to Mortgagor by Mortgagee), Mortgagor shall promptly proceed with the Restoration. However, if the damage from such condemnation constitutes Substantial Damage, or it is not possible to restore it to substantially the same condition as existed prior to the condemnation, Mortgagor at its option may either (i) elect to proceed with the Restoration, or (ii) proceed under Section 13.3 of the Loan Agreement. Any Restoration shall be undertaken in accordance with Section 4(d) hereof. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise (including but not limited to any transfer made in lieu of or in anticipation of the exercise of such taking), Mortgagor shall continue to pay the Indebtedness at the time and in the manner provided for its payment in the Notes, in this Mortgage and the other Loan Documents and the Indebtedness shall not be reduced until any award or payment therefor shall have been actually received after expenses of collection and applied by Mortgagee to the discharge of the Indebtedness. Mortgagor shall cause the award or payment made in any condemnation or eminent domain proceeding, which is payable to Mortgagor, to be paid directly to Mortgagee. Mortgagee may, at Mortgagee's election, use the award in any one or more of the following ways: (a) apply any such award or payment (for purposes of this Paragraph 6, the award or payment that may be made in any condemnation or eminent domain proceeding shall mean the entire award allocated to Mortgagor in any capacity) to the discharge of the Indebtedness whether or not then due and payable (such application to be without prepayment fee or premium, except that if an Event of Default, or an event which with notice and/or the passage of time, or both, would constitute an Event of Default, has occurred, then such application shall be subject to the applicable premium computed in accordance with the Notes), or (b) use the same or any part thereof to fulfill any of the covenants contained herein as the Mortgagee may determine. If the Mortgaged Property is sold, through foreclosure or otherwise, prior to the receipt by Mortgagee of such award or payment, Mortgagee shall have the right, whether or not a deficiency judgment on the Notes shall have been sought, recovered or denied, to receive said award or payment or a portion thereof sufficient to pay the Indebtedness. Notwithstanding the foregoing, provided (i) there is a partial condemnation that does not affect in any material manner the total revenues then generated by the Mortgaged Property prior to such taking, (ii) no Event of Default has occurred and remains uncured at the time of such condemnation, (iii) the Restoration is required to comply with applicable law, insurance requirements, or is otherwise integral to the continued operation of business at the Mortgaged Property (as determined by Mortgagee in its reasonable discretion after consultation with Mortgagor), (iv) the Restoration can be completed within one (1) year after the condemnation and at least one (1) year prior to the Maturity Date, and (v) the estimated cost to complete the Restoration does not exceed five percent (5%) of the Allocated Loan Amount, then Mortgagee shall make all of such condemnation proceeds available to Mortgagor to be used for Restoration. If made available, awards shall be held and disbursed in accordance with Section 3(e).

# UNOFFICIAL COPY

## 7. Leases and Rents.

(a) Mortgagor does hereby absolutely and unconditionally assign to Mortgagee its right, title and interest in all current and future Leases and Rents and all proceeds from the sale, cancellation, surrender or other disposition of the Leases, it being intended by Mortgagor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Such assignment to Mortgagee shall not be construed to bind Mortgagee to the performance of any of the covenants, conditions or provisions contained in any such Lease or otherwise to impose any obligation upon Mortgagee. Mortgagor agrees to execute and deliver to Mortgagee such additional instruments in form and substance satisfactory to Mortgagee and Mortgagor, as may hereafter be reasonably requested by Mortgagee to further evidence and confirm such assignment. Nevertheless, subject to the terms of this Paragraph 7, Mortgagee grants to Mortgagor a revocable license to operate and manage the Mortgaged Property and to collect the Rents. Mortgagor shall hold the Rents, or a portion thereof sufficient to discharge all current sums due on the Indebtedness, in trust for the benefit of Mortgagee for use in the payment of such sums. The grant of the foregoing license is subject to the provisions of Paragraph 1 of the separate Assignment of Leases and Rents of even date herewith granted by the Mortgagor as “**Assignor**” to the Mortgagee as “**Assignee**” with respect to the Mortgaged Property (“**Assignment of Leases and Rents**”). Upon the occurrence and during the continuance of an Event of Default the license granted to Mortgagor herein shall be automatically revoked and Mortgagee shall immediately be entitled to possession of all Rents, whether or not Mortgagee enters upon or takes control of the Mortgaged Property. Mortgagee is hereby granted and assigned by Mortgagor the right, at its option, upon the revocation of the license granted herein to enter upon the Mortgaged Property in person, by agent or by court-appointed receiver to collect the Rents. Any Rents collected after the revocation of the license herein granted may be applied toward payment of the Indebtedness in such priority and proportion as Mortgagee in its discretion shall deem proper. It is further the intent of Mortgagor and Mortgagee that the Rents hereby absolutely assigned are no longer, during the term of this Mortgage, property of Mortgagor or property of any estate of Mortgagor as defined in Section 541 of the Bankruptcy Code and shall not constitute collateral, cash or otherwise, of Mortgagor. The term “**Rents**” as used herein shall mean the gross rents without deduction or offsets of any kind.

(b) All Leases executed after the date of this Mortgage shall provide that they are subordinate to this Mortgage and that the lessee agrees to attorn to Mortgagee; provided, however, that nothing herein shall affect Mortgagee’s right to designate from time to time any one or more Leases as being superior to this Mortgage and Mortgagor shall execute and deliver to Mortgagee and shall use commercially reasonable efforts to cause to be executed and delivered to Mortgagee from each tenant under such Lease any instrument or agreement as Mortgagee may deem necessary to make such Lease superior to this Mortgage. Upon request, Mortgagor shall promptly furnish Mortgagee with executed copies of all Leases.

(c) Mortgagor shall not, without the prior consent of Beneficiary, which shall not be unreasonably withheld or delayed (unless the applicable tenant is requiring non-disturbance language from Beneficiary), (i) lease all or any part of the Trust Property, (ii) alter or change the terms of any Lease or cancel or terminate, abridge or otherwise modify the terms of any Lease, (iii) consent to any assignment of or subletting under any Lease not in

# UNOFFICIAL COPY

accordance with its terms, (iv) cancel, terminate, abridge or otherwise modify any guaranty of any Lease or the terms thereof, (v) collect or accept prepayments of installments of Rents for a period of more than one (1) month in advance (except that Trustor may collect prepayments of up to six months' rent in the ordinary course of business), or (vi) further assign the whole or any part of the Leases or the Rents; provided, however, that such action as described in subsections (i)-(iv) above may be taken without Beneficiary's consent for any Lease which (I) with respect to any Lease for commercial space, encumbers an area not exceeding 21,100 square feet, or (II) (1) which generates annual gross income not exceeding the lesser of (y) ten percent (10%) of the gross income derived from the Trust Property, or (z) \$400,000.00; (2) has an annual rent of not less than the then prevailing market rental; and (3) has an original or remaining term (without giving effect to any unexercised option(s) to extend) not exceeding ten (10) years (a lease satisfying those criteria shall be referred to as a "Small Lease") so long as the taking of such action is in the ordinary course of Trustor's business and that such action is still subject to Paragraph 1 of the separate Assignment of Leases and Rents pertaining to Termination Amounts (as defined therein).

(d) With respect to all Leases, Mortgagor shall (i) observe and perform each and every economic and other material provision thereof on the lessor's part to be fulfilled or performed under each Lease and not do or permit to be done anything to impair the value of the Lease as security for the Loan, including surrender or voluntary termination of any Lease (except upon an event of default beyond any notice and cure periods by any tenant), (ii) promptly send to Mortgagee copies of all written notices of default which Mortgagor shall send or receive thereunder, (iii) enforce all of the material terms, covenants and conditions contained in such Lease upon the lessee's part to be performed, short of termination thereof, (iv) execute and deliver, at the request of Mortgagee, all such further assurances, confirmations and assignments in connection with the Mortgaged Property as Mortgagee shall, from time to time, reasonably require and (v) upon request, furnish Mortgagee with executed copies of all Leases; provided, however, the notice to Mortgagee referenced in subparagraph (ii) above and the restriction on termination of a Lease in connection with the enforcement of its terms, covenants and conditions set forth in (iii) above shall not be required or apply, as the case may be, for any Small Lease. Upon the occurrence of any Event of Default under this Mortgage, Mortgagor shall pay monthly in advance to Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of the Mortgaged Property or part of the Mortgaged Property as may be occupied by Mortgagor or any one Mortgagor and upon default in any such payment Mortgagor shall vacate and surrender possession of the Mortgaged Property to Mortgagee or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise.

(e) All security deposits of tenants in excess of \$250,000, whether held in cash or any other form, shall not be commingled with any other funds of Mortgagor and, if cash, shall be deposited by Mortgagor at such commercial or savings bank or banks as may be reasonably satisfactory to Mortgagee and in accordance with applicable law. Any bond or other instrument which Mortgagor is permitted to hold in lieu of cash security deposits under any applicable legal requirements shall be maintained in full force and effect in the full amount of such deposits unless replaced by cash deposits as hereinabove described, shall be issued by an institution reasonably satisfactory to Mortgagee, shall, if permitted pursuant to any legal requirements, name Mortgagee as payee or Mortgagee thereunder (or at Mortgagee's option, be

# UNOFFICIAL COPY

fully assignable to Mortgagee) and shall, in all respects, comply with any applicable legal requirements and otherwise be reasonably satisfactory to Mortgagee. Mortgagor shall, upon request, provide Mortgagee with evidence reasonably satisfactory to Mortgagee of Mortgagor's compliance with the foregoing. Following the occurrence and during the continuance of any Event of Default, Mortgagor shall, upon Mortgagee's request, if permitted by any applicable legal requirements, turn over to Mortgagee the security deposits (and any interest theretofore earned thereon) with respect to all or any portion of the Mortgaged Property, to be held by Mortgagee subject to the terms of the Leases.

## 8. Maintenance and Use of Mortgaged Property.

Mortgagor shall, at its sole cost and expense, keep and maintain the Mortgaged Property, including, without limitation, parking lots and recreational and landscaped portions thereof, if any, in good order and condition, subject to reasonable wear and tear. The Improvements and the Equipment shall not be diminished, removed, demolished or materially altered (except for normal replacement of Equipment or removal of obsolete Equipment) and Mortgagor shall not erect any new buildings, or material structures or building additions on the Mortgaged Property without the prior consent of Mortgagee. So long as no Event of Default shall have occurred and be continuing, Mortgagor shall have the right at any time and from time to time after providing Mortgagee with written notice to make or cause to be made reasonable alterations of and additions to the Mortgaged Property or any part thereof, provided that any alteration or addition (i) shall not change the general character of the Mortgaged Property or reduce the fair market value thereof below its value immediately before such alteration or addition, or impair the usefulness of the Mortgaged Property (unless such change is required by applicable law), (ii) is effected with due diligence, in a good and workmanlike manner and in compliance with all applicable laws and with all provisions of any insurance policy covering or applicable to the Mortgaged Property and all requirements of the issuers thereof, (iii) is promptly and fully paid for, or caused to be paid for, by Mortgagor, (iv) the estimated cost of such alteration or addition does not exceed ten percent (10%) of the Allocated Loan Amount (as set forth in the Loan Agreement) for the Mortgaged Property, (v) if the estimated cost of the work exceeds five percent (5%) of the Allocated Loan Amount, is made under the supervision of a qualified architect or engineer, (vi) shall not violate the terms of any Leases, and (vii) upon completion, Mortgagor shall provide Mortgagee with (aa) a satisfactory final improvement survey if the footprint of the building has been altered, (bb) any final occupancy permit which may be required for the Improvements, if any, (cc) all other governmental permits, certificates and approvals and all other permits, certificates and approvals of fire underwriters which are required with respect to the alterations and additions and the use and occupancy thereof, and shall furnish true copies thereof to Mortgagee, and (dd) final lien waivers from all contractors, subcontractors and materialmen. Mortgagor shall promptly comply with all laws, orders and ordinances affecting the Mortgaged Property, or the use thereof, provided, however, that nothing in the foregoing clause shall require Mortgagor to comply with any such law, order or ordinance so long as Mortgagor shall in good faith, after notice to, but without cost or expense to, Mortgagee, contest the validity of such law, order or ordinance by appropriate legal proceedings and in accordance with all applicable law, which proceedings must operate to prevent (i) the enforcement thereof, (ii) the payment of any fine, charge or penalty, (iii) the sale or forfeiture of the Mortgaged Property or any part thereof, (iv) the lien of this Mortgage and the priority thereof from being impaired, (v) the imposition of criminal liability on Mortgagee and (vi) the

# UNOFFICIAL COPY

imposition, unless stayed, of civil liability on Mortgagee; provided that during such contest Mortgagee shall, at the option of Mortgagee, provide cash, bonds or other security reasonably satisfactory to Mortgagee, indemnifying and protecting Mortgagee against any liability, loss or injury by reason of such non-compliance or contest, and provided further, that such contest shall be promptly and diligently prosecuted by and at the expense of Mortgagee. Mortgagee shall promptly, at its sole cost and expense, repair, replace or rebuild any part of the Mortgaged Property which may be worn or dilapidated. Mortgagee shall not commit any physical waste at the Mortgaged Property. Mortgagee shall not initiate, join in, acquiesce in or consent to any change in any private restrictive covenant, zoning law or other public or private restriction, limiting the uses which may be made of the Mortgaged Property or any part thereof in contradiction of its existing use as a commercial parking facility. If under applicable zoning provisions the use of all or any portion of the Mortgaged Property is or shall become a nonconforming use, Mortgagee will not cause or permit such nonconforming use to be discontinued or abandoned without the express consent of Mortgagee. Mortgagee covenants and agrees that it shall operate the Mortgaged Property at all times as a first-class commercial parking facility, and related and ancillary uses.

## **9. Transfer or Encumbrance of the Mortgaged Property or Interests in the Mortgaged Property; Other Indebtedness.**

(a) Mortgagee acknowledges that Mortgagee has examined and relied on the creditworthiness and experience of Mortgagee in owning and operating properties such as the Mortgaged Property in agreeing to make the Loan, and that Mortgagee will continue to rely on Mortgagee's ownership of the Mortgaged Property as a means of maintaining the value of the Mortgaged Property as security for repayment of the Indebtedness. Mortgagee acknowledges that Mortgagee has a valid interest in maintaining the value of the Mortgaged Property so as to ensure that, should Mortgagee default in the repayment of the Indebtedness, Mortgagee can recover the Indebtedness by a sale of the Mortgaged Property. Except to the extent otherwise expressly provided in the Loan Agreement, Mortgagee shall not, without the prior written consent of Mortgagee, sell, convey, alienate, mortgage, encumber, pledge or otherwise transfer the Mortgaged Property or any part thereof or interest therein, or permit the Mortgaged Property or any part thereof to be sold, conveyed, alienated, mortgaged, encumbered, pledged or otherwise transferred.

(b) Except to the extent otherwise expressly provided in the Loan Agreement, a sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer within the meaning of this Paragraph 9 shall be deemed to include (i) an installment sales agreement wherein Mortgagee agrees to sell the Mortgaged Property or any part thereof for a price to be paid in installments, (ii) an agreement by Mortgagee leasing all or a substantial part of the Mortgaged Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Mortgagee's right, title and interest in and to any Leases or any Rents, (iii) if Mortgagee, any guarantor of Recourse Obligations (as hereinafter defined), any other guarantor, any indemnitor of environmental liabilities or any general partner or managing member of Mortgagee or of any such guarantor or indemnitor is a corporation, the voluntary or involuntary sale, assignment, conveyance or transfer of such corporation's stock (or the stock of any corporation directly or indirectly controlling such corporation by operation of law or otherwise) or the creation or issuance of new

# UNOFFICIAL COPY

stock in one or a series of transactions by which an aggregate of more than ten percent (10%) of such corporation's stock shall be vested in a party or parties who are not now stockholders or any change in the control of such corporation, (iv) if Mortgagor, any guarantor, of the Recourse Obligations (as defined in the Loan Agreement), any other guarantor or any indemnitor of environmental liabilities or any general partner or managing member of Mortgagor or any such guarantor or indemnitor is a limited or general partnership, joint venture or limited liability company, the change, removal, resignation or addition of a general partner, managing partner, limited partner, joint venturer or member or the transfer of the partnership interest of any general partner, managing partner or limited partner or the transfer of the interest of any joint venturer or member, and (v) if Mortgagor, any guarantor of the Recourse Obligations (as defined in Paragraph 4c below) or any other guarantor or any indemnitor of environmental liabilities, is an entity, whether one of the above-mentioned entities or not, any change in the ownership or control of such entity, any merger, consolidation or dissolution or syndication affecting such entity, or the transfer, sale, assignment or pledge of any interest in such entity or in any person, directly or indirectly, controlling such entity or in any general partner or managing member thereof, whether at one time or in a series of related transactions.

(c) Mortgagee shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Indebtedness immediately due and payable upon Mortgagor's sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property without Mortgagee's consent. This provision shall apply to every sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property regardless of whether voluntary or not, or whether or not Mortgagee has consented to any previous sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property; provided, however, that nothing in this Section 9 will result in an Event of Default because of an involuntary lien contested in accordance with Article 4.

(d) Mortgagee's consent to a sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property or any other action described in this Paragraph 9 shall not be deemed to be a waiver of Mortgagee's right to require such consent to any future occurrence of same. Any sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property or other action made in contravention of this Paragraph 9 shall be null and void and of no force and effect.

(e) Mortgagor agrees to bear and shall pay or reimburse Mortgagee on demand for all reasonable expenses (including, without limitation, reasonable attorneys' fees and disbursements, title search costs and title insurance endorsement premiums) incurred by Mortgagee in connection with the review, approval and documentation of any such sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer.

(f) Except as otherwise expressly provided for in the Loan Agreement, Mortgagor will not incur any indebtedness, secured or unsecured, other than (1) the Loan; (2) subordinate trade debt (i) incurred in the ordinary course of business to vendors and suppliers of services to the Mortgaged Property, (ii) not secured by the Mortgaged Property, or any portion thereof, or by interests in the Mortgagor or any constituent entity thereof, and (iii) not accompanied by any rights to control or to obtain control of the Mortgagor or any constituent



# UNOFFICIAL COPY

entity thereof; and (3) equipment financing or leasing and purchase money liens which do not encumber any HVAC, life safety or elevator equipment. No indebtedness other than the Loan may be secured (subordinate or pari passu) by the Mortgaged Property, or any portion thereof, or by interests in the Mortgagor or any constituent entity thereof.

## 10. Estoppel Certificates.

(a) Mortgagor, within ten (10) business days after request by Mortgagee, shall furnish Mortgagee from time to time with a statement, duly acknowledged and certified, setting forth (i) the amount of the original principal amount of the Notes, (ii) the unpaid principal amount of the Notes, (iii) the rate of interest in the Notes, (iv) the date through which all installments of interest, commitment fees and/or principal have been paid, (v) any offsets or defenses to the payment of the Indebtedness, if any, (vi) that the Notes and this Mortgage have not been modified or, if modified, giving particulars of such modification and (vii) such other information as shall be reasonably requested by Mortgagee.

(b) Mortgagor, after request by Mortgagee, will use diligent efforts to obtain and furnish (within the time periods, if any, provided in the applicable Leases or if no time period is so specified, within ten (10) business days after request) Mortgagee from time to time with estoppel certificates from any tenants under then existing Leases, which certificates shall be in form and substance as required by such Leases, or if not required, then in form and substance reasonably satisfactory to Mortgagee.

11. No Cooperative or Condominium. Mortgagor represents and warrants that the Mortgaged Property has not been subjected to a cooperative or condominium form of ownership. Mortgagor hereby covenants and agrees that it will not file a declaration of condominium, map or any other document having the effect of subjecting the Mortgaged Property, to a condominium or cooperative form of ownership without the prior consent of Mortgagee.

12. Changes in the Laws Regarding Taxation. If any law is enacted or adopted or amended after the date of this Mortgage which deducts the Indebtedness or any portion thereof from the value of the Mortgaged Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the principal amount of the Notes or Mortgagee's interest in the Mortgaged Property, Mortgagor will pay such tax, with interest and penalties thereon, if any. In the event Mortgagee is advised by counsel chosen by it that the payment of such tax or interest and penalties by Mortgagor would be unlawful or taxable to Mortgagee or unenforceable or provide the basis for a defense of usury, then in any such event, Mortgagee shall have the option, by notice of not less than ninety (90) days, to declare the Indebtedness immediately due and payable without prepayment fee or premium, except that if an Event of Default, or an event which with notice and/or the passage of time, or both, would constitute an Event of Default, has occurred, the applicable premium computed in accordance with the Notes shall apply.

13. No Credits on Account of the Indebtedness. Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Indebtedness for any part of the Taxes assessed against the Mortgaged Property or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the Mortgaged Property, or any part

# UNOFFICIAL COPY

thereof, by reason of this Mortgage or the Indebtedness. In the event such claim, credit or deduction shall be required by law, Mortgagee shall have the option, by notice of not less than ninety (90) days, to declare the Indebtedness immediately due and payable without prepayment fee or premium, except that if an Event of Default has occurred and is continuing, the applicable premium computed in accordance with the Notes shall apply.

**14. Documentary Stamps.** If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Notes or this Mortgage, or impose any other tax or charge on the same, Mortgagor will pay for the same, with interest and penalties thereon, if any.

**15. Right of Entry.** Mortgagee and its agents shall have the right to enter and inspect the Mortgaged Property at any time during reasonable business hours upon twenty-four (24) hours notice to Mortgagor (except in the case of an emergency) and, at Mortgagor's option, so long as there is then no Event of Default existing hereunder, shall be accompanied by a representative of Mortgagor, in which event Mortgagee and its agents may enter and inspect the Mortgaged Property at any time.

**16. Books and Records.**

(a) Mortgagor will maintain full, accurate and complete books of accounts and other records reflecting the results of the operations of the Mortgaged Property as well as its other operations and will furnish, or cause to be furnished, to Mortgagee the following:

(i) within one hundred twenty (120) days after the end of each fiscal year, the Trustor will furnish to Beneficiary, a statement of Trustor's financial condition, including a balance sheet and profit and loss statement, reasonably satisfactory in form and substance to Beneficiary in connection with the operation of the Trust Property (collectively, the "**Financial Statements**"), in detail satisfactory to Beneficiary, prepared by, audited and certified by a certified public accountant who is a member of the American Institute of Certified Public Accountants as prepared in accordance with GAAP and, in addition, within forty-five (45) days after the end of each fiscal quarter of Trustor, Trustor shall provide the above information except that it may be prepared and certified by the financial officer of Trustor who is responsible for the preparation of such annual financial statements. Notwithstanding the foregoing, Beneficiary will accept unaudited Financial Statements prepared and certified by Trustor, Trustor's accountant or a financial officer of Trustor, provided that audited Financial Statements prepared by a Certified Public Accountant are not prepared in the normal course of Trustor's business; provided further, however, that upon Beneficiary's request after an Event of Default under this Section 16(a)(1) with respect to any Trust Property, Trustor shall furnish audited Financial Statements for such Trust Property.

(ii) accompanying the submission of the certified statements of annual and quarterly income and expenses shall be a statement of the financial condition of InterPark Holdings LLC, including balance sheet as well as profit and loss statements.

# UNOFFICIAL COPY

(iii) accompanying the submission of the certified statements of annual and quarterly income and expenses shall be such additional financial information as Mortgagee shall reasonably require.

(iv) on or before December 31 of each calendar year, the written statement set forth in clause (4) in Section 15.1 of the Loan Agreement.

(b) Mortgagee shall have the right, upon five (5) days' prior notice to Mortgagor (and at Mortgagor's option, so long as no Event of Default has occurred and is then continuing) shall be accompanied by a representative of Mortgagor, to inspect and make copies of Mortgagor's books and records and income tax returns and notices.

(c) In the event of a Secondary Market Transaction, Mortgagor shall furnish from time to time such information relating to Mortgagor and the Mortgaged Property as shall be reasonably requested by the Rating Agencies.

(d) If Mortgagor fails to timely deliver any of the materials described in Paragraph 16(a)(i) and (ii) that are required to be delivered to Mortgagee, and Mortgagor does not deliver such missing materials to Mortgagee within ten (10) business days after Mortgagee provides Mortgagor with notice of such failure, Mortgagor shall promptly pay to Mortgagee, as a late charge, the sum of \$500 per item. In addition, Mortgagor shall promptly pay to Mortgagee an additional late charge of \$500 per item for each full month during which such item remains undelivered following written notice from Mortgagee. Mortgagor acknowledges that Mortgagee will incur additional expenses as a result of any such late deliveries, which expenses would be impracticable to quantify, and that Mortgagor's payments under this Paragraph are a reasonable estimate of such expenses.

**17. Performance of Other Agreements.** Mortgagor shall observe and perform each and every material term, as well as all terms which in the aggregate have a material effect, to be observed or performed by such Mortgagor pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Mortgaged Property.

**18. Representations and Covenants Concerning Loan** Mortgagor represents, warrants and covenants as follows as of the date hereof:

(a) The Notes, this Mortgage and the other Loan Documents are not subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury, nor would the operation of any of the terms of the Notes, this Mortgage and the other Loan Documents, or the exercise of any right thereunder, render this Mortgage unenforceable, in whole or in part, or subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury.

(b) All certifications, permits, licenses and approvals, including, without limitation, certificates of completion and occupancy permits required for the legal use and occupancy of the Mortgaged Property, have been obtained and are in full force and effect. The Mortgaged Property is free of material damage and is in good repair, reasonable wear and tear excepted, and there is no proceeding pending for the total or partial condemnation of, or affecting, the Mortgaged Property.

# UNOFFICIAL COPY

(c) Except as disclosed on any survey delivered to Mortgagee in connection with the Loan, all of the Improvements which were included in determining the appraised value of the Mortgaged Property lie wholly within the boundaries and building restriction lines of the Mortgaged Property, and no improvements on adjoining properties encroach upon the Mortgaged Property, and no easements or other encumbrances upon the Land encroach upon any of the Improvements, so as to affect the value or marketability of the Mortgaged Property except those which are insured against by title insurance. Except as disclosed in any zoning letter or report delivered to Lender in connection with the Loan, all of the Improvements comply with all requirements of applicable zoning and subdivision laws and ordinances in all material respects.

(d) The Mortgaged Property is not subject to any Leases other than the Leases described in the rent roll delivered to Mortgagee in connection with this Mortgage. To Mortgagor's knowledge, no person has any possessory interest in the Mortgaged Property or right to occupy the same except under and pursuant to the provisions of the Leases. Except as otherwise disclosed in writing to Mortgagee, the current Leases are in full force and effect and to Mortgagor's knowledge there are no defaults thereunder by either party and there are no conditions that, with the passage of time or the giving of notice, or both, would constitute defaults thereunder. Except as otherwise set forth in the Leases, all presently existing Leases are subordinate to the Mortgage.

(e) To Mortgagor's knowledge, the Mortgaged Property and the Leases are in compliance in all material respects with all statutes, ordinances, regulations and other governmental or quasi-governmental requirements and private covenants now or hereafter relating to the ownership, construction, use or operation of the Mortgaged Property.

(f) There has not been and shall never be committed by Mortgagor or, to Mortgagor's knowledge, any other person in occupancy of or involved with the operation or use of the Mortgaged Property any act or omission affording the federal government or any state or local government the right of forfeiture as against the Mortgaged Property or any part thereof or any monies paid in performance of Mortgagor's obligations under any of the Loan Documents. Mortgagor hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture.

(g) The Parking Management Agreement dated May 14, 2002 (the "**Management Agreement**") between Mortgagor and InterPark Incorporated, a Maryland corporation ("**Manager**") pursuant to which Manager operates the Mortgaged Property (a true, correct and complete copy of which has been delivered to Mortgagee) is in full force and effect and to Mortgagor's knowledge there is no default or violation by any party thereunder. The fee due under the Management Agreement, and the terms and provisions of the Management Agreement, are subordinate to this Mortgage and the Manager shall attorn to Mortgagee. Mortgagor shall not terminate, cancel, modify, renew or extend the Management Agreement, or enter into any agreement relating to the management or operation of the Mortgaged Property with Manager or any other party without the express written consent of Mortgagee, which consent shall not be unreasonably withheld, conditioned or delayed. If at any time Mortgagee consents to the appointment of a new manager, such new manager and Mortgagor shall, as a

# UNOFFICIAL COPY

condition of Mortgagee's consent, execute a Manager's Consent and Subordination of Management Agreement in the form then used by Mortgagee.

(h) Improper Financial Transactions.

(i) Mortgagor is, and shall remain at all times, in full compliance with all applicable laws and regulations of the United States of America that prohibit, regulate or restrict financial transactions, and any amendments or successors thereto and any applicable regulations promulgated thereunder (collectively, the "**Financial Control Laws**"), including but not limited to those related to money laundering offenses and related compliance and reporting requirements (including any money laundering offenses prohibited under the Money Laundering Control Act, 18 U.S.C. Sections 1956, 1957 and the Bank Secrecy Act, 31 U.S.C. Sections 5311 *et seq.*) and the Foreign Assets Control Regulations, 31 C.F.R. Section 500 *et seq.*

(ii) Mortgagor represents and warrants that: (a) Mortgagor is not a Barred Person (hereinafter defined); (b) no tenant of the Mortgaged Property is a Barred Person; (c) the Manager is not a Barred person; (d) Mortgagor is not owned or controlled, directly or indirectly, by any Barred Person; and (e) Mortgagor is not acting, directly or indirectly, for or on behalf of any Barred Person.

(iii) Mortgagor represents and warrants that it understands and has been advised by legal counsel on the requirements of the Financial Control Laws.

(iv) Under any provision of this Mortgage or any of the other Loan Documents where the Mortgagee shall have the right to approve or consent to any particular action, including without limitation any (i) sale, transfer, assignment of the Mortgaged Property or of any direct or indirect ownership interest in Mortgagor, (ii) leasing of the Mortgaged Property, or any portion thereof, or (iii) incurring of additional financing secured by Mortgaged Property, or any portion thereof or by any direct or indirect ownership interest in the Mortgagor, Mortgagee shall have the right to withhold such approval or consent, in its sole discretion, if the granting of such approval or consent would be a violation of any of the Financial Control Laws.

(v) Mortgagor covenants and agrees that it will upon request provide Mortgagee with (or cooperate with Mortgagee in obtaining) information reasonably required by Mortgagee for purposes of complying with any Financial Control Laws.

As used in this Mortgage, the term "**Barred Person**" shall mean (i) any person, group or entity named as a "**Specially Designated National and Blocked Person**" or as a person who commits, threatens to commit, supports, or is associated with terrorism as designated by the United States Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), (ii) any person, group or entity named in the lists maintained by the United States Department of Commerce (Denied Persons and Entities), (iii) any government or citizen of any country that is subject to a United States Embargo identified in regulations promulgated by OFAC, and (iv) any person, group or entity named as a denied or blocked person or terrorist in any other list maintained by OFAC.

# UNOFFICIAL COPY

19. **Special Purpose Bankruptcy Remote Entity/Separateness.** As long as any obligations secured by the Mortgage remain outstanding and not paid in full, Mortgagor shall in the conduct of its business and operations:

(a) maintain books and records and bank accounts separate from those of any other Person or entity, except that it will be permitted to have consolidated financial statements; provided, that appropriate notation shall be made on such consolidated financial statements to indicate the separateness of Mortgagor;

(b) maintain its assets in such a manner that it is not costly or difficult to segregate, identify or ascertain such assets and maintain its bank accounts separate from any other Person or entity;

(c) observe all customary organizational and operational formalities;

(d) hold itself out to creditors and the public as a legal entity separate and distinct from any other entity;

(e) prepare separate tax returns (unless required to file a consolidated income tax return by applicable law) and separate financial statements; provided, however, that it will be permitted to have consolidated financial statements provided that appropriate notation shall be made on such consolidated financial statements to indicate the separateness of Mortgagor;

(f) allocate and charge fairly and reasonably any expenses associated with services provided by common employees, office space expenses, and other overhead expenses shared with Affiliates (as defined in the Loan Agreement);

(g) transact all business with Affiliates on an arm's-length basis upon commercially reasonable terms that are no less favorable to the Mortgagor than would be obtainable in the market from a person or entity that is not an Affiliate; provided, however, that this provision will not be required for transactions which are only between or among UGP Entities;

(h) conduct business in its own name or through an agent or manager under an agency or management agreement;

(i) not commingle its assets or funds with those of any other person or entity other than (1) commingling between or among any or all of Urban Growth Property Limited Partnership ("UGPLP"), and the other Borrowers (as such term is defined in the Loan Agreement), (each individually called a "UGP Entity" and collectively called the "UGP Entities"), (2) remittances to affiliates for payment or reimbursement of the UGP Entities' pro rata share of (x) insurance premiums, (y) payroll expenses, and (z) such other shared expenses which in the aggregate for the properties owned by the UGP Entities do not exceed 5% of all expenses for such properties, and (3) remittances of excess cash flow after payment of expenses of UGP Entities (including, without limitation, payment of UGP Entities' pro rata share of shared expenses) as long as at the time of any such remittance the UGP Entities have the ability to pay their expenses in the ordinary course of their business and meet their reasonably foreseeable capital expenditures; provided, however, that the Mortgagor shall not make any of the remittances described in the preceding clauses (2)(x), (y) and (z)

# UNOFFICIAL COPY

above more than five (5) days prior to the date such amounts are due (or not more than five days prior to any earlier payment date that may be required pursuant to the terms of this instrument or any of the other Loan Documents), and (C) within five (5) days after Mortgagee's request from time to time, the Mortgagor shall provide a detailed delineation of the expenses described in clause (2)(z) above;

(j) not assume, guarantee, become obligated for, or pay the debts or obligations of any other Person or entity other than UGPLP and any subsidiary of UGPLP;

(k) pay its own liabilities and expenses, and the liabilities and expenses of any UGP Entities, out of its own funds or funds of any UGP Entities, or out of funds provided by Affiliates of UGPLP pursuant to intercompany loans satisfying clause (g);

(l) not acquire obligations or securities of its members or Affiliates, other than intercompany debt satisfying clause (g);

(m) not hold out its credit as available to satisfy the obligations of any other Person or entity, other than Mortgagor and the other borrowers under the Loan Documents solely with respect to the Indebtedness;

(n) not pledge its assets for the benefit of any other entity or make any loans or advances to any Person or entity except as contemplated by or permitted in the Loan Documents;

(o) not buy or hold evidence of indebtedness issued by any other Person or entity (other than cash and investment-grade securities), other than intercompany debt satisfying clause (j);

(p) correct any known misunderstanding regarding its separate identity;

(q) not identify itself as a division of any other Person or entity;

(r) together with the other UGP Entities, maintain adequate capital in the aggregate in light of their contemplated business operations to the extent the Real Estate Security (as defined in the Loan Agreement) generate sufficient net operating income (after payment of all expenses of all UGP Entities, including repayment from time to time of all intercompany loans satisfying clause (g) to maintain the same for all UGP Entities;

(s) maintain all required qualifications to do business in the state in which the Mortgaged Property is located;

(t) at all times cause there to be at least one non-economic member or duly appointed manager or director (an "**Independent Manager**") of Mortgagor reasonably satisfactory to Mortgagee who is not at the time of initial appointment, and has not been at any time during the preceding five (5) years: (a) stockholder, director, officer, employee, partner, attorney or counsel of Mortgagor or any affiliate; (b) a customer, supplier or other person who derives more than ten percent (10%) of its purchases or revenues from its activities with Mortgagor or any affiliate; (c) a person or other entity controlling or under common control with

# UNOFFICIAL COPY

any such stockholder, partner, customer, supplier or other person; (d) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer, supplier or other person. As used herein, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a person or entity, whether through ownership of voting securities, by contract or otherwise. The Independent Manager for the Mortgagor may also serve as the Independent Manager for any one or more Affiliates of the Mortgagor, unless such party cannot confirm in writing at the time of his or her appointment that he or she believes that he or she can serve as an Independent Manager for multiple entities without adversely affecting his or her obligations to the Mortgagor;

(u) not cause or permit its member or manager to take any action relating to bankruptcy unless at the time of such action all members vote in favor thereof and there shall be at least one member who is an Independent Manager; and

(v) conduct its business so that the assumptions made with respect to Mortgagor in that certain opinion letter dated as of the date hereof (the "Insolvency Opinion") delivered by Mayer Brown LLP in connection with the Loan shall be true and correct in all respects.

**20. Events of Default; Remedies.** Each of the following events shall constitute an "Event of Default" hereunder:

(a) if (i) any installment of interest or principal is not paid within five (5) days after the same is due, (ii) the entire Indebtedness is not paid on or before the Maturity Date (or if the Maturity Date has been accelerated, upon such acceleration), or (iii) any other payment or charge due under the Notes, this Mortgage or any other Loan Documents is not paid within five (5) days after when due (except that payments relating to taxes or insurance or that would incur a penalty if not timely made shall not be entitled to such 5-day grace period);

(b) if any Taxes payable directly to the billing authority by Mortgagor are not paid before interest becomes payable on the amount due or a penalty is assessed (provided that the foregoing provisions of this clause (b) shall be subject to the right to contest Taxes granted to Mortgagor in Paragraph 4(b) of this Mortgage, but only for so long as the conditions in Paragraph 4(b) of this Mortgage remain satisfied and, if there is a Tax and Insurance Fund and the amounts on deposit in such Tax and Insurance Fund are sufficient and available to pay amounts due, no Event of Default should be deemed to have occurred);

(c) if the Policies are not kept in full force and effect and copies thereof are not delivered to Mortgagee within ten (10) days after request by Mortgagee;

(d) if any Lease which is not a Small Lease is terminated due to the landlord's default thereunder after expiration of any applicable notice and cure period provided therein, or if there is a transfer in violation of Paragraph 9 herein;

(e) if any of the events described in Paragraph 41 shall occur;

(f) if at any time any representation or warranty of Mortgagor or any Guarantor made herein or in any guaranty, agreement, certificate, report, affidavit, owner's



# UNOFFICIAL COPY

affidavit, financial statement or other instrument furnished to Mortgagee shall be false or misleading in any material respect on the date made and the same is not cured within thirty (30) days after written notice thereof;

(g) if any mortgagee under a mortgage of the Mortgaged Property, whether superior or subordinate to this Mortgage (i) demands payment in full or otherwise accelerates any indebtedness of Mortgagor or (ii) otherwise commences the exercise of any remedy available to such party under any loan document;

(h) if Mortgagor fails to cure promptly any violation of any law or ordinance affecting the Mortgaged Property (provided that the foregoing provisions of this clause (h) shall be subject to any right to contest such violation specifically granted to Mortgagor in Paragraph 8 of this Mortgage) and, provided that the violation does not cause imminent harm to human health or safety, the cure shall be completed within thirty (30) days after such violation occurs, or such earlier time if an earlier cure period is required by the applicable law or ordinance; further, provided, however, if such default is not capable of being cured within such thirty (30) days period and Mortgagor shall have commenced the cure, then such thirty (30) day period shall be extended to ninety (90) days from the violation;

(i) if any Guaranty (as hereinafter defined) is terminated or any Guarantor attempts to withdraw, cancel or disclaim any Guaranty;

(j) if a default by Mortgagor under any of the other terms, covenants or conditions of the Notes, this Mortgage or any other Loan Document for which no notice, grace or cure period is specified shall occur, and such default shall not have been cured (if no cure period is otherwise specified) within thirty (30) days after notice from Mortgagee, provided that if such default is not susceptible of being cured within such thirty (30) day period and Mortgagor shall have commenced the cure of such default within such thirty (30) day period and thereafter diligently pursues such cure to completion, then such thirty (30) day period shall be extended for a period of ninety (90) days from the occurrence of the default, provided, further, that the notice and grace period set forth in this subparagraph (j) shall not apply to any other Event of Default expressly set forth in this Paragraph 20 or to any other Event of Default defined as such in any other Loan Document or to any other covenant or condition with respect to which a grace period is expressly provided elsewhere; or

(k) if any of the provisions of Paragraphs 42(d) and/or Paragraph 42(f) are violated or not complied with, and/or if any representation or warranty in Paragraph 42(b) and/or 42(c) shall prove false or misleading in any respect and/or if any of the events described in Paragraph 42(e) shall occur.

Upon the occurrence of any Event of Default, the Indebtedness shall immediately become due at the option of Mortgagee.

Upon the occurrence of any Event of Default, Mortgagor shall pay interest on the entire unpaid principal balance of the Notes, as defined in and provided for in the Notes.

Upon the occurrence of any Event of Default, Mortgagee may, to the extent permitted under applicable law, elect to treat the fixtures included in the Mortgaged Property

# UNOFFICIAL COPY

either as real property or as personal property, or both, and proceed to exercise such rights as apply thereto. With respect to any sale of real property included in the Mortgaged Property made under the powers of sale herein granted and conferred, Mortgagee may, to the extent permitted by applicable law, include in such sale any fixtures included in the Mortgaged Property and relating to such real property.

## 21. Additional Remedies.

(a) Upon the occurrence of any Event of Default, Mortgagee may take such action, without notice or demand, as it shall deem advisable to protect and enforce its rights against Mortgagor and in and to the Mortgaged Property or any part thereof or interest therein, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee (i) enter into or upon the Real Property, either personally or by its agents, nominees or attorneys and dispossess Mortgagor and its agents and servants therefrom, and thereupon Mortgagee may (A) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct the business thereat, (B) complete any construction on the Mortgaged Property in such manner and form as Mortgagee deems advisable, (C) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property, (D) exercise all rights and powers of Mortgagor with respect to the Mortgaged Property, whether in the name of Mortgagor or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases, obtain and evict tenants and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Mortgaged Property and every part thereof and (E) apply the receipts from the Mortgaged Property to the payment of the Indebtedness, after deducting therefrom all expenses (including reasonable attorneys' fees and expenses) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, assessments, insurance and other charges in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of Mortgagee and its counsel, agents and employees, or (ii) institute proceedings for the complete foreclosure of this Mortgage in which case the Mortgaged Property may be sold for cash or upon credit in one or more parcels, or (iii) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Indebtedness then due and payable, subject to the continuing lien of this Mortgage for the balance of the Indebtedness not then due, or (iv) sell for cash or upon credit the Mortgaged Property or any part thereof and all or any part of any estate, claim, demand, right, title and interest of Mortgagor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law, and in the event of a sale, by foreclosure or otherwise, of less than all of the Mortgaged Property, this Mortgage shall continue as a lien on the remaining portion of or estate in the Mortgaged Property, or (v) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein or in the Notes or any other Loan Document, or (vi) recover judgment on the Notes or any Guaranty either before, during or after any proceedings for the enforcement of this Mortgage, or (vii) pursue such other remedies as Mortgagee may have under applicable law.

# UNOFFICIAL COPY

(b) The purchase money proceeds or avails of any sale made under or by virtue of this Paragraph 21, together with any other sums which then may be held by Mortgagee under this Mortgage, whether under the provisions of this Paragraph 21 or otherwise, shall be applied as follows:

First: To the payment of the costs and expenses of any such sale, including reasonable compensation to Mortgagee, its agents and counsel, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Mortgagee under this Mortgage, together with interest as provided herein on all advances made by Mortgagee and all taxes or assessments, except any taxes, assessments or other charges subject to which the Mortgaged Property shall have been sold.

Second: To the payment of the whole amount then due, owing or unpaid upon the Notes for principal, together with any and all applicable interest, fees and late charges.

Third: To the payment of any other sums required to be paid by Mortgagor pursuant to any provision of this Mortgage or of the Notes or of the Guaranty.

Fourth: To the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

Mortgagee and any receiver of the Mortgaged Property, or any part thereof, shall be liable to account for only those rents, issues and profits actually received by it.

(c) Mortgagee may adjourn from time to time any sale by Mortgagee to be made under or by virtue of this Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(d) Upon the completion of any sale or sales made by Mortgagee under or by virtue of this Paragraph 21, Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold. Mortgagee is hereby irrevocably appointed the true and lawful attorney of Mortgagor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold and for that purpose Mortgagee may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, Mortgagor hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. Any such sale or sales made under or by virtue of this Paragraph 21, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Mortgagor.

# UNOFFICIAL COPY

(e) In the event of any sale made under or by virtue of this Paragraph 21 (whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale) the entire Indebtedness, if not previously due and payable, immediately thereupon shall, anything in the Notes, this Mortgage, any Guaranty or any other Loan Document to the contrary notwithstanding, become due and payable.

(f) Upon any sale made under or by virtue of this Paragraph 21 (whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale), Mortgagee may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Indebtedness the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which Mortgagee is authorized to deduct under this Mortgage.

(g) No recovery of any judgment by Mortgagee and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of Mortgagor shall affect in any manner or to any extent, the lien of this Mortgage upon the Mortgaged Property or any part thereof, or any liens, rights, powers or remedies of Mortgagee hereunder, but such liens, rights, powers and remedies of Mortgagee shall continue unimpaired as before.

(h) Intentionally deleted.

**22. Right to Cure Defaults.** Upon the occurrence of any Event of Default or if Mortgagor fails to make any payment after any applicable notice and cure periods, Mortgagee may, but without any obligation to do so and without notice to or demand on Mortgagor and without releasing Mortgagor from any obligation hereunder, make or do the same in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof. Without limiting the foregoing, Mortgagee may enter upon the Mortgaged Property for such purposes or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property, and the cost and expense thereof (including, without limitation, reasonable attorneys' fees and disbursements to the extent permitted by law), with interest as provided in this Paragraph 22, shall be immediately due and payable to Mortgagee upon demand by Mortgagee therefor. All such costs and expenses incurred by Mortgagee in remedying such Event of Default or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate (as such term is defined in the Notes), for the period from the date that such cost or expense was incurred to the date of payment to Mortgagee. All such costs and expenses, together with interest thereon at the Default Rate, shall be added to the Indebtedness and shall be secured by this Mortgage. If the principal sum of the Notes or any other amount required to be paid on the Maturity Date under the Notes shall not be paid on the Maturity Date, interest shall thereafter be computed and paid at the Default Rate.

**23. Late Payment Charge.** If any monthly principal and interest payment is not paid, other than at maturity, in accordance with the Notes a late charge (the "**Late Charge**") shall be due as provided for in the Notes.

# UNOFFICIAL COPY

24. **Prepayment.** The Indebtedness may be prepaid only in accordance with the terms of the Notes.

25. **Prepayment After Event of Default.** A tender of the amount necessary to satisfy the entire indebtedness paid at any time following an Event of Default or acceleration (which acceleration shall be at Mortgagee's sole option), including at a foreclosure sale or during any subsequent redemption period, if any, shall be deemed a voluntary prepayment, which payment shall include a premium, the calculation of which shall be in accordance with the terms of the Notes and shall depend upon whether the Event of Default or acceleration first occurred (i) prior to the time, if any, the prepayment of the principal balance is not permitted pursuant to the terms of the Notes and prior to the date on which the full amount of the balance of principal and interest then remaining unpaid shall be due or (ii) on or after the date on which prepayment of the principal balance is permitted pursuant to the terms of the Notes.

26. **Appointment of Receiver.** Mortgagee, upon the occurrence of an Event of Default or in any action to foreclose this Mortgage or upon the actual or threatened waste to any part of the Mortgaged Property, shall be entitled to the appointment of a receiver without notice and without regard to the value or condition of the Mortgaged Property as security for the Indebtedness or the solvency or insolvency of any person liable for the payment of the Indebtedness.

27. **Security Agreement.**

(a) This Mortgage is both a real property Mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Mortgaged Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Mortgagor in the Mortgaged Property. Mortgagor, by executing and delivering this Mortgage grants to Mortgagee, as security for the Indebtedness, a security interest in the Mortgaged Property to the full extent that the Mortgaged Property may be subject to the Uniform Commercial Code (such portion of the Mortgaged Property so subject to the Uniform Commercial Code being called in this Paragraph 27 the "Collateral"). Mortgagor hereby authorizes Mortgagee to file financing statements (and amendments thereto and continuations thereof) in order to create, perfect, preserve and continue the security interest(s) herein granted. This Mortgage shall also constitute a "fixture filing" for the purposes of the Uniform Commercial Code and shall cover all items of the Collateral that are or are to become fixtures. Information concerning the security interest(s) herein granted may be obtained from Mortgagee upon request. UGP-Everest Philadelphia, LLC, having its principal place of business at 200 North LaSalle Street, Suite 400, Chicago, Illinois 60601, and an employer identification number of 36-4359411, as Debtor; and John Hancock Life Insurance Company (U.S.A.), as collateral agent, having an address at 197 Clarendon Street, C-3, Boston, Massachusetts 02116, as Secured Party.

If an Event of Default shall occur, Mortgagee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Collateral. Upon

# UNOFFICIAL COPY

request or demand of Mortgagee, Mortgagor shall at its expense assemble the Collateral and make it available to Mortgagee at a convenient place acceptable to Mortgagee. Mortgagor shall pay to Mortgagee on demand any and all expenses, including legal expenses and reasonable attorneys' fees and disbursements, incurred or paid by Mortgagee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Collateral sent to Mortgagor in accordance with the provisions hereof at least five (5) days prior to such sale, disposition or action shall constitute reasonable notice to Mortgagor. The proceeds of any disposition of the Collateral, or any part thereof, may be applied by Mortgagee to the payment of the Indebtedness in such priority and proportions as Mortgagee in its discretion shall deem proper.

Mortgagor shall notify Mortgagee of any change in name, identity or structure of Mortgagor, and Mortgagor hereby expressly authorizes Mortgagee to file and record, at Mortgagor's sole cost and expense, such Uniform Commercial Code forms as are necessary to maintain the priority of the lien of Mortgagee upon and security interest in the Collateral. In addition, Mortgagor shall promptly execute, file and record such additional Uniform Commercial Code forms or continuation statements as Mortgagee shall deem necessary and shall pay all expenses and fees in connection with the filing and recording thereof, provided that no such additional documents shall increase the obligations of Mortgagor under the Notes, this Mortgage or the other Loan Documents. Mortgagor hereby authorizes Mortgagee and grants to Mortgagee an irrevocable power of attorney, coupled with an interest, to file with the appropriate public office on its behalf any financing or other statements in connection with the Collateral covered by this Mortgage.

(b) That portion of the Mortgaged Property consisting of personal property and equipment, shall be owned by Mortgagor and shall not be the subject matter of any lease or other transaction whereby the ownership or any beneficial interest in any of such property is held by any person or entity other than Mortgagor nor shall Mortgagor create or suffer to be created any security interest covering any such property as it may from time to time be replaced, other than the security interest created herein.

## 28. Authority.

(a) Mortgagor has full power, authority and legal right to execute this Mortgage, and to mortgage, give, grant, bargain, sell, alienate, enfeoff, convey, confirm, pledge, hypothecate and assign and grant a security interest in the Mortgaged Property pursuant to the terms hereof and to keep and observe all of the terms of this Mortgage on Mortgagor's part to be performed.

(b) Mortgagor represents and warrants to Mortgagee that Mortgagor is not a "foreign person" and covenants with Mortgagee that Mortgagor will not, throughout the term of the Notes, become a "foreign person" within the meaning of §1445 and §7701 of the Internal Revenue Code of 1986, (26 USC §§1445, 7701) and the related Treasury Department regulations, including, without limitation, temporary regulations (hereinafter collectively the "Code"); that is, such Mortgagor is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined in the Code.

# UNOFFICIAL COPY

(c) Mortgagor represents and warrants to Mortgagee that Mortgagor is a limited liability company, organized and existing under the laws of the State of Delaware.

**29. Actions and Proceedings.** Mortgagee shall have the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding, in the name and on behalf of Mortgagor, which Mortgagee, in its reasonable discretion, shall decide should be brought to protect its interest(s) in the Mortgaged Property. Mortgagor shall have the right to participate in all such proceedings so long as no Event of Default has occurred and is then continuing hereunder.

**30. Further Acts, Etc.** Mortgagor will, at the sole cost of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, Mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring and confirming unto Mortgagee the property and rights hereby mortgaged, given, granted, bargained, sold, alienated, enfeoffed, conveyed, confirmed, pledged, assigned and hypothecated or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage and, on demand, will execute and deliver within five (5) business days after request of Mortgagee, and if Mortgagor fails to so deliver, hereby authorizes Mortgagee thereafter to execute in the name of Mortgagor without the signature of Mortgagor to the extent Mortgagee may lawfully do so, one or more financing statements, chattel Mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Mortgaged Property. Mortgagor grants to Mortgagee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Mortgagee at law and in equity, including without limitation such rights and remedies available to Mortgagee pursuant to this Paragraph 30.

**31. Recording of Mortgage, Etc.** Mortgagor forthwith upon the execution and delivery of this Mortgage, will cause this Mortgage, and any security instrument creating a lien or security interest or evidencing the lien hereof upon the Mortgaged Property, to be filed, registered or recorded and, thereafter, from time to time, each such other instrument of further assurance to be filed, registered or recorded, all in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien or security interest hereof upon, and the interest(s) of Mortgagee in, the Mortgaged Property. Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Mortgage, any Mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property and any instrument of further assurance, and all federal, state, county and municipal, taxes, duties, imposts, assessments and charges arising out of or in connection with the making, execution, delivery and/or recording of this Mortgage, any Mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property or any instrument of further assurance, except where prohibited by law so to do. Mortgagor shall hold harmless and indemnify Mortgagee, its successors and assigns, against any liability incurred by reason of the imposition of any tax on the making, execution, delivery and/or recording of this Mortgage, any Mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property or any instrument of further assurance.

# UNOFFICIAL COPY

32. **Usury Laws.** This Mortgage and the Notes are subject to the express condition that at no time shall Mortgagor be obligated or required to pay interest on the principal balance due under the Notes at a rate which could subject the holder of the Notes to either civil or criminal liability as a result of being in excess of the maximum interest rate which Mortgagor is permitted by law to contract or agree to pay. If by the terms of this Mortgage or the Notes, Mortgagor is at any time required or obligated to pay interest on the principal balance due under the Notes at a rate in excess of such maximum rate, the rate of interest under the Notes shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Notes and the principal balance of the Notes shall be reduced by such amount in the inverse order of maturity.

33. **Sole Discretion of Mortgagee.** Wherever pursuant to this Mortgage, Mortgagee exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Mortgagee, the decision of Mortgagee to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be in the sole discretion of Mortgagee and shall be final and conclusive, except as may be otherwise specifically provided herein.

34. **Recovery of Sums Required To Be Paid.** Mortgagee shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Indebtedness as the same become due, without regard to whether or not the balance of the Indebtedness shall be due, and without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

35. **Marshalling and Other Matters.** Mortgagor waives, to the extent permitted by law, the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Mortgaged Property or any part thereof or any interest therein. Further, Mortgagor expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Mortgagor, and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage and on behalf of all persons to the extent permitted by applicable law.

36. **Waiver of Notice.** Mortgagor shall not be entitled to any notices of any nature whatsoever from Mortgagee except with respect to matters for which this Mortgage or the other Loan Documents specifically and expressly provides for the giving of notice by Mortgagee to Mortgagor and except with respect to matters for which Mortgagee is required by applicable law to give notice, and Mortgagor hereby expressly waives the right to receive any notice from Mortgagee with respect to any matter for which this Mortgage or the other Loan Documents does not specifically and expressly provide for the giving of notice by Mortgagee to Mortgagor.

37. **Remedies of Mortgagor.** In the event that a claim or adjudication is made that Mortgagee has acted unreasonably or unreasonably delayed acting in any case where by law or under the Notes, this Mortgage or the other Loan Documents, it has an obligation to act



# UNOFFICIAL COPY

reasonably or promptly, Mortgagee shall not be liable for any monetary damages, and Mortgagor's remedies shall be limited to injunctive relief or declaratory judgment.

**38. Reporting Requirements.** At the request of Mortgagee, Mortgagor shall supply or cause to be supplied to Mortgagee either (a) a copy of a completed Form 1099-B, Statement for Recipients of Proceeds from Real Estate, Broker and Barter Exchange Proceeds (or other Form 1099, as required by law) prepared by Mortgagor's attorney or other person responsible for the preparation of such form, together with a certificate from the person who prepared such form to the effect that such form has, to the best of such person's knowledge, been accurately prepared and that such person will timely file such form or (b) a certification from Mortgagor that the Loan is a refinancing of the Mortgaged Property or is otherwise not required to be reported to the Internal Revenue Service pursuant to Section 6045(e) of the Code. Mortgagor hereby indemnifies, defends and holds Mortgagee harmless from and against all loss, cost, damage and expense (including without limitation, reasonable attorneys' fees and disbursements and costs incurred in the investigation, defense and settlement of claims) that Mortgagee may incur, directly or indirectly, as a result of or in connection with the assertion against Mortgagee of any claim relating to the failure of Mortgagee to comply with this Paragraph 38.

**39. Hazardous Materials.**

(a) Mortgagor represents and warrants that except as disclosed to Mortgagee on any environmental assessment report delivered to Mortgagee or disclosed in a formal written notice to Mortgagee in connection with the Loan, (i) the Mortgaged Property is now free of contamination from any petroleum product and all hazardous or toxic substances, wastes or substances, or any other substances, which because of their quantitative concentration, chemical, radioactive, flammable, explosive, infectious or other characteristics, constitute or may reasonably be expected to constitute or contribute to a danger or hazard to public health, safety or welfare or to the environment, including, without limitation, any asbestos (whether or not friable) and any asbestos-containing materials, material quantities of Mold [defined as the presence of any form of (i) multicellular fungi that live on plant or animal matter and an indoor environment (including without limitation Cladosporium, Penicillium, Alternaria, Aspergillus, Fusarium, Trichoderma, Memnoniella, Mucor, and Stachybotrys chartarum (SC) often found in water damaged building materials), (ii) spores, scents or byproducts produced or released by fungi, including mycotoxins and (iii) microbial matter which reproduces through mold, mildew and viruses, whether or not such microbial matter is living (collectively "Mold") that constitute or may reasonably be expected to constitute a danger or hazard to the health, safety and welfare of any tenants, occupants, visitors, invitees, vendors and the public in general], waste oils, solvents and chlorinated oils, polychlorinated biphenyls (PCBs), toxic metals, etchants, pickling and plating wastes, explosives, reactive metals and compounds, pesticides, herbicides, lead (whether in water, paint or soil), urea formaldehyde foam insulation and chemical, biological and radioactive wastes, or any other similar materials or any hazardous or toxic wastes or substances which are included under or regulated by any federal, state or local law, rule or regulation (whether now existing or hereafter enacted or promulgated, as they may be amended from time to time) pertaining to environmental regulations, contamination, clean-up or disclosures, and any judicial or administrative interpretation thereof, including any judicial or administrative orders or judgments ("Hazardous Materials"), including, without limitation, the Comprehensive

# UNOFFICIAL COPY

Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. section 9601 et seq. (“**CERCLA**”); The Federal Resource Conservation and Recovery Act, 42 U.S.C. section 6901 et seq. (“**RCRA**”); Superfund Amendments and Reauthorization Act of 1986, Public Law No. 99-499 (“**SARA**”); Toxic Substances Control Act, 15 U.S.C. section 2601 et seq. (“**TSCA**”); the Hazardous Materials Transportation Act, 49 U.S.C. section 1801 et seq.; and any other state superlien or environmental clean-up or disclosure statutes (all such laws, rules and regulations being referred to collectively as “**Environmental Laws**”), (ii) Mortgagor has not caused or suffered to occur any discharge, spill, uncontrolled loss or seepage of any Hazardous Materials from the Mortgaged Property onto any property adjoining the Mortgaged Property, (iii) Mortgagor has not received any complaint, notice, letter, or other communication from occupants, tenants, guests, employees, licensees or any other person regarding odors, poor indoor quality, material quantities of Mold, or any activity, condition, event or omission that causes or facilitates the growth of material quantities of Mold and Mortgagor further represents to the best of its knowledge that no material quantities of Mold or any activity, condition, event or omission that causes or facilitates the growth of material quantities of Mold exists at the property, and (iv) neither the Mortgagor nor any tenant or occupant of all or part of the Mortgaged Property is now or has been involved in operations at the Mortgaged Property which could reasonably be expected to lead to liability for Mortgagor or any other owner of the Mortgaged Property or the imposition of a lien on the Mortgaged Property under any Environmental Law.

(b) At its sole cost and expense, Mortgagor shall comply with and shall cause all tenants and other occupants of the Mortgaged Property to comply with all applicable Environmental Laws now in effect or hereafter enacted with respect to the discharge, generation, removal, transportation, storage and handling of Hazardous Materials. Mortgagor shall promptly notify Mortgagee if Mortgagor shall become aware of any material release or threatened potential material release of Hazardous Materials on or near the Mortgaged Property and/or if Mortgagor shall become aware that the Mortgaged Property is in direct or indirect violation of any Environmental Laws and/or if Mortgagor shall become aware of any condition on or near the Mortgaged Property which shall pose a threat to the health, safety or welfare of humans. Mortgagor shall promptly remediate all discharges, spills, uncontrolled losses, seepage or other releases of Hazardous Materials from the Mortgaged Property, such remediation to be performed in accordance with all applicable federal, state and local laws, statutes, rules and regulations. Mortgagor shall pay immediately when due the cost of remediating any Hazardous Materials and shall keep the Mortgaged Property free of any lien imposed pursuant to any Environmental Laws now in effect or hereinafter enacted. The term “material release” as used in this subparagraph (b) shall mean any release or presence or other situation that requires remediation or reporting, submission or disclosure to any federal, state or local governmental unit or agency or regulatory authority, or any adjacent landowner.

(c) Mortgagor grants Mortgagee and its employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter the Mortgaged Property during the continuance of any Event of Default to conduct testing and to remove any Hazardous Materials, and the costs of such testing and removal shall immediately become due to Mortgagee and shall be secured by this Mortgage. Where a threatened potential release of Hazardous Materials in violation of Environmental Laws is indicated, Mortgagor, promptly upon the request of Mortgagee, from time to time, but in no event more than one time per year (so long as no Event of Default has occurred and is then continuing hereunder), shall provide

# UNOFFICIAL COPY

Mortgagee with an environmental site assessment or environmental audit report, or an update of such an assessment or report, all in scope, form and content satisfactory to Mortgagee. Mortgagor shall maintain the integrity of all storage tanks and drums on or under the Mortgaged Property during the term of the Loan in compliance with all Environmental Laws now in effect or hereafter enacted. Mortgagor shall operate and maintain all storage tanks and drums on or under the Mortgaged Property in accordance with applicable Environmental Laws.

(d) Mortgagor shall indemnify Mortgagee and hold Mortgagee harmless from and against all liability, loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense and settlement of claims) that Mortgagee may incur as a result of or in connection with the assertion against Mortgagee (whether as past or present holder of this Mortgage, as mortgagee in possession or as past or present owner of the Mortgaged Property by virtue of a foreclosure or acceptance of a deed in lieu of foreclosure) of any claim relating to the presence and/or release, threatened release, storage, disposal, generating or removal of any Hazardous Materials or compliance with any Environmental Laws now in effect or hereafter enacted. The obligations and liabilities of Mortgagor under this Paragraph 39 shall survive full payment of the Loan, entry of a judgment of foreclosure or acceptance of a deed in lieu of foreclosure or any subsequent transfer to a third party. It is understood that the presence and/or release of substances referred to in this section hereof does not pertain to a presence and/or release which first occurs solely after (A) repayment of the Loan in full in accordance with the Loan Documents, (B) acquisition of title to the Property by Mortgagee upon a foreclosure or acceptance of a deed in lieu of foreclosure and surrender of possession and occupancy of the Property by Mortgagor, its agents, affiliates, employees and independent contractors, or (C) to the extent caused by the willful misconduct or gross negligence of Mortgagee or its agents. In any dispute over indemnification, Mortgagor shall have the burden of proving that the conditions in the preceding (A), (B), or (C), as applicable, were satisfied by clear and convincing evidence and shall continue to defend with counsel satisfactory to Mortgagee and shall indemnify and hold Mortgagee harmless for all matters set forth in this Paragraph 39, unless and until Mortgagor has met such burden.

(e) Nothing contained herein shall constitute or be construed as a waiver of any statutory or judicial federal, state or local law which may provide rights or remedies to Mortgagee against Mortgagor or others in connection with any claim relating to the Mortgaged Property and pertaining to the presence and/or release, threatened release, storage, disposal, generating or removal of any Hazardous Materials or to the failure to comply with any Environmental Laws now or hereafter enacted.

**40. Asbestos.** Mortgagor shall not install or permit to be installed in the Mortgaged Property, friable asbestos or any substance containing asbestos. With respect to any such material currently present in the Mortgaged Property, Mortgagor, at Mortgagor's expense, shall promptly comply with and shall cause all occupants of the Mortgaged Property to comply with all present and future applicable federal, state or local laws, rules, regulations or orders relating to asbestos, friable asbestos and asbestos containing materials. In the event any asbestos, friable asbestos or asbestos containing material is discovered at the Mortgaged Property, Mortgagor shall obtain a comprehensive asbestos report prepared by a licensed engineer or asbestos consultant acceptable to Mortgagee describing the form, extent, location and condition of such asbestos and recommending methods of management, removal or abatement.

# UNOFFICIAL COPY

Mortgagor shall promptly comply at its sole cost and expense with the recommendations contained in such report, such compliance to be performed in accordance with all applicable federal, state and local laws, statutes, rules and regulations. Mortgagor shall indemnify Mortgagee and hold Mortgagee harmless from and against all loss, cost, damage and expense (including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense and settlement of claims) that Mortgagee may incur as a result of or in connection with the assertion against Mortgagee (whether as past or present holder of the Mortgage, as mortgagee in possession, or as past or present owner of the Mortgaged Property by virtue of a foreclosure or acceptance of a deed in lieu of foreclosure) of any claim relating to the presence or removal of any asbestos substance referred to in this Paragraph 40, or compliance with any federal, state or local laws, rules, regulations or orders relating thereto. The obligations and liabilities of Mortgagor under this Paragraph 40 shall survive full payment of the Loan, a foreclosure or the acceptance of a deed in lieu of foreclosure.

**41. Bankruptcy or Insolvency.** In the event that Mortgagor or any Guarantor or, if Mortgagor or Guarantor is a general or limited partnership, any general partner of any such entity (a) admits in writing its inability to pay its debts generally as they become due, or does not pay its debts generally as they become due, (b) commences as debtor any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law, or seeks or consents to the appointment of a receiver, conservator, trustee, custodian, manager, liquidator or similar official for it or the whole or any substantial part of its property, (c) has a receiver, conservator, trustee, custodian, manager, liquidator, or similar official appointed for it or the whole or any substantial part of its property, by any governmental authority with jurisdiction to do so, (d) makes a proposal or any assignment for the benefit of its creditors, or enters into an arrangement or composition or similar plan or scheme with or for the benefit of creditors generally occurring in circumstances in which such entity is unable to meet its obligations as they become due or (e) has filed against it any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law which (i) is consented to or not timely contested by such entity, (ii) results in the entry of an order for relief, appointment of a receiver, conservator, trustee, custodian, manager, liquidator or similar official for such entity or the whole or any substantial part of its property or (iii) is not dismissed within sixty (60) days, an Event of Default shall have occurred and as a result, the entire principal balance of the Notes and all obligations under any Guaranty shall become immediately due and payable at the option of Mortgagee without notice to Mortgagor or any Guarantor and Mortgagee may exercise any remedies available to it hereunder, under any other Loan Document, at law or in equity.

**42. Compliance with ERISA and State Statutes on Governmental Plans.**

(a) Mortgagee represents and warrants to Mortgagor that, as of the date of this Mortgage and throughout the term of this Mortgage, (i) the source of funds from which John Hancock's (as defined in the Loan Agreement) funding obligations with respect to the Loan extends is its general account, which is subject to the claims of its general creditors under state law and such source of funds either (a) does not constitute plan assets within the meaning of 29 CFR §2510.3-101 or (b) is assets of an "insurance company general account", as such term is defined in section V(e) of Prohibited Transaction Class Exemption 95-60 (issued July 12, 1995) ("PTE 95-60"), and there is no "plan" with respect to which the aggregate amount

# UNOFFICIAL COPY

of such general account's reserves and liabilities for the contracts held by or on behalf of such "plan" and all other "plans" maintained by the same employer (and affiliates thereof, as defined in section V(a) of PTE 95-60) or by the same employee organization (in each case determined when John Hancock's NAIC Annual Statement as filed in its state of domicile) exceeds or is expected to exceed 10% of the total of all liabilities and reserves of such general account, plus surplus, as of the Closing Date (excluding any liabilities of John Hancock's separate accounts); and (ii) Mortgage Trust is a closed-end management investment company that is registered under the Investment Company Act of 1940, as amended. Mortgage Trust (a) is treated as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended, and (ii) is not regulated under The Employee Retirement Income Security Act of 1974, as amended ("ERISA").

(b) Mortgagor represents and warrants that, as of the date of this Mortgage and throughout the term of this Mortgage, (i) Mortgagor is not an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA and (ii) the assets of such Mortgagor do not constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA.

(c) Mortgagor represents and warrants to Mortgagee that, as of the date of this Mortgage and throughout the term of this Mortgage (i) Mortgagor is not a "governmental plan" within the meaning of Section 3(32) of ERISA and (ii) Mortgagor is not subject to state statutes regulating investments of and fiduciary obligations with respect to governmental plans, which would be violated by the transaction contemplated by the Loan Agreement or this Mortgage.

(d) Mortgagor covenants and agrees to deliver to Mortgagee such certifications or other evidence from time to time throughout the term of this Mortgage, as requested by Mortgagee in its sole discretion, that (i) Mortgagor is not an "employee benefit plan" that is subject to Title I of ERISA or a "governmental plan" (ii) Mortgagor is not subject to state statutes regulating investments and fiduciary obligations with respect to governmental plans, which would be violated by the transactions contemplated by the Loan Agreement or this Mortgage, and (iii) one or more (at the Borrower's option) of the following circumstances is true:

- (A) Equity interests in Mortgagor are publicly offered securities, within the meaning of 29 C.F.R. § 2510.3-101(b)(2);
- (B) Less than 25 percent of all equity interests in such Mortgagor are held by "benefit plan investors" as defined in Section 3(42) of ERISA; or
- (C) Mortgagor qualifies as an "operating company" or a "real estate operating company" within the meaning of 29 C.F.R. § 2510.3-101(c) or (e), respectively.

(e) Any of the following shall constitute an Event of Default under this Mortgage, entitling Mortgagee to exercise any and all remedies to which it may be entitled under this Mortgage, and any other Loan Documents (i) the failure of any representation or warranty made by any Mortgagor under this Paragraph 42 to be true and correct in all respects,

# UNOFFICIAL COPY

(ii) the failure of any Mortgagor to provide Mortgagee with the written certifications and evidence referred to in this Paragraph 42 or (iii) assuming no portion of the Loan is funded with “plan assets” (within the meaning of 29 C.F.R. 2510.3-101, as modified by Section 3(42) of ERISA) unless Lender relies upon an applicable prohibited transaction exemption, the consummation by Mortgagor or any one Mortgagor of a transaction which would cause this Mortgage or any exercise of Mortgagee’s rights under this Mortgage, or the other Loan Documents to constitute a non-exempt prohibited transaction under ERISA or a violation of a state statute regulating governmental plans, or otherwise subjecting Mortgagee to liability for violation of ERISA or such state statute.

(f) Mortgagor shall indemnify Mortgagee and defend and hold Mortgagee harmless from and against all civil penalties, excise taxes, or other loss, cost, damage and expense (including, without limitation, reasonable attorneys’ fees and disbursements and costs incurred in the investigation, defense and settlement of claims and losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA that may be required, in Mortgagee’s reasonable discretion) that Mortgagee may incur, directly or indirectly, as a result of a default by Mortgagor under this Paragraph 42. This indemnity shall survive any termination, satisfaction or foreclosure of this Mortgage.

**43. Assignments.** Subject to Section 18.1 of the Loan Agreement, Mortgagee shall have the right to assign or transfer its rights under this Mortgage without limitation. Any assignee or transferee shall be entitled to all the benefits afforded Mortgagee under this Mortgage.

**44. Cooperation.** Mortgagor acknowledges that, subject to Section 18.1 of the Loan Agreement, Mortgagee and its successors and assigns may (a) sell this Mortgage, the Notes and other Loan Documents to one or more investors as a whole loan, (b) participate the Loan to one or more investors, (c) deposit this Mortgage, the Notes and other Loan Documents with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets or (d) otherwise sell the Loan or interest therein to investors (the transactions referred to in clauses (a) through (d) are hereinafter referred to as “**Secondary Market Transactions**”). Mortgagor shall, at its reasonable expense, cooperate in good faith with Mortgagee (aa) in effecting any such Secondary Market Transaction and (bb) to implement all requirements imposed by the Rating Agency involved in any Secondary Market Transaction including, without limitation, all structural or other changes to the Loan, modifications to any documents evidencing or securing the Loan, delivery of opinions of counsel acceptable to the Rating Agency and addressing such matters as the Rating Agency may reasonably require; provided, however, that Mortgagor shall not be required to modify any documents evidencing or securing the Loan which would modify (i) the interest rate payable under the Notes, (ii) the stated maturity of the Notes, (iii) the amortization of principal of the Notes or (iv) any other economic or material term of the Loan. Mortgagor shall provide such information and documents relating to Mortgagor, Guarantor, if any, the Mortgaged Property, the Lease and the Lessee as Mortgagee may reasonably request in connection with a Secondary Market Transaction. Provided that the applicable prospective investor executes and delivers a confidentiality agreement with respect to receipt of any financial information of Mortgagor and Guarantor, to Mortgagor in form and substance reasonably satisfactory to Mortgagor, Mortgagee shall have the right to provide to

# UNOFFICIAL COPY

prospective investors any information in its possession, including, without limitation, financial statements relating to Mortgagor, the Guarantor, if any, the Mortgaged Property and the Lessee. Mortgagor acknowledges that certain information regarding the Loan and the Mortgaged Property may be included in a private placement memorandum, prospectus or other disclosure documents.

**45. Indemnification for Recourse Obligations.** Mortgagor hereby covenants and agrees unconditionally and absolutely to indemnify and save harmless Mortgagee, its officers, directors, shareholders, employees, agents and attorneys (collectively, the “**Indemnified Parties**”) against all damages, losses, liabilities, obligation, claims, litigation, demands or defenses, judgments, suits, proceedings, fines, penalties, costs, disbursements and expenses of any kind or nature whatsoever (including, without limitation, reasonable attorneys’ fees), which may at any time be imposed upon, incurred by or asserted or awarded against the Indemnified Parties and arising from the Recourse Obligations.

This indemnity shall survive any foreclosure of this Mortgage, the taking of a deed in lieu thereof, or any other discharge of the obligations of the Mortgagor hereunder or a transfer of the Mortgaged Property, until the indebtedness secured hereby is satisfied in full. Mortgagor agrees that the indemnification granted herein may be enforced by Mortgagee without resorting to or exhausting any other security or collateral or without first having recourse to the Notes or the Mortgaged Property covered by this Mortgage through foreclosure proceedings or otherwise; provided, however, that, subject to Paragraph 46 of this Mortgage, nothing herein contained shall prevent Mortgagee from suing on the Notes or foreclosing this Mortgage or from exercising any other rights under the Loan Documents.

**46. Exculpation and Recourse.** The provisions of Section 18.2 of the Loan Agreement are hereby incorporated by reference as if set forth fully herein.

**47. Notices.** Any notice, demand, statement, request or consent made hereunder shall be effective and valid only if in writing, referring to this Mortgage, signed by the party giving such notice, and delivered either personally to such other party, or sent by nationally recognized overnight courier delivery service or by certified mail of the United States Postal Service, postage prepaid, return receipt requested, addressed to the other party as follows (or to such other address or person as either party or person entitled to notice may by notice to the other party specify):

To Mortgagee:

John Hancock Life Insurance Company (U.S.A.)  
 c/o Real Estate Finance Group  
 197 Clarendon Street, C-3  
 Boston, Massachusetts 02116  
 Re: Loan Nos. 531109:11 and 531109:51  
 Attention: Investment Services

# UNOFFICIAL COPY

and with a copy concurrently to:

Fox Swibel Levin & Carroll LLP  
 200 West Madison Street  
 Suite 3000  
 Chicago, Illinois 60606  
 Attention: Everett S. Ward  
 Email: [eward@foxswibel.com](mailto:eward@foxswibel.com)

To Mortgagor:

InterPark Holdings LLC  
 200 North LaSalle Street, Suite 400  
 Chicago, Illinois 60601  
 Attention: Andrew Runge, Chief Financial Officer  
 Telephone: (312) 935-2800  
 Email: [andrew.runge@intpark.com](mailto:andrew.runge@intpark.com)

with a copy to:

InterPark Holdings LLC  
 200 North LaSalle Street, Suite 400  
 Chicago, Illinois 60601  
 Attention: Sarah Fisher, General Counsel  
 Telephone: (312) 935-2800  
 Email: [sarah.fisher@intpark.com](mailto:sarah.fisher@intpark.com)

with a copy (via email) to:

InterPark Holdings LLC  
 Email: [legalnotices@intpark.com](mailto:legalnotices@intpark.com)

with a copy to:

Mayer Brown LLP  
 71 South Wacker Drive  
 Chicago, Illinois 60606  
 Attention: Heather W. Adkerson, Esq.  
 Telephone: (312) 701-8806  
 Email: [hadjerson@mayerbrown.com](mailto:hadjerson@mayerbrown.com)

Unless otherwise specified, notices shall be deemed given as follows: (i) if delivered personally, when delivered, (ii) if delivered by nationally recognized overnight courier delivery service, on the day following the day such material is sent, or (iii) if delivered by certified mail, on the third day after the same is deposited with the United States Postal Service as provided above.



# UNOFFICIAL COPY

48. **Non-Waiver.** The failure of Mortgagee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor's obligations hereunder by reason of (a) failure of Mortgagee to comply with any request of Mortgagor or any Guarantor to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Notes, any Guaranty or the other Loan Documents, (b) the release, regardless of consideration, of the whole or any part of the Mortgaged Property, or of any person liable for the Indebtedness or portion thereof or (c) any agreement or stipulation by Mortgagee extending the time of payment or otherwise modifying or supplementing the terms of the Notes, any Guaranty, this Mortgage or the other Loan Documents. Mortgagee may resort for the payment of the Indebtedness to any other security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect. Mortgagee may take action to recover the Indebtedness, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Mortgagee thereafter to foreclose this Mortgage. The rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded by law.

49. **Joint and Several Liability.** If there is more than one party comprising Mortgagor, then the obligations and liabilities of each party under this Mortgage shall be joint and several.

50. **Intentionally Deleted.**

51. **Severability.** If any term, covenant or condition of the Notes, any Guaranty or this Mortgage is held to be invalid, illegal or unenforceable in any respect, the Notes, any Guaranty and this Mortgage shall be construed without such provision.

52. **Duplicate Originals.** This Mortgage may be executed in any number of duplicate originals and each such duplicate original shall be deemed to constitute but one and the same instrument.

53. **Indemnity and Mortgagee's Costs.** Mortgagor agrees to pay all costs, including, without limitation, reasonable attorneys' fees and expenses, incurred by Mortgagee in enforcing the terms hereof and/or the terms of any of the other Loan Documents or the Notes or any Guaranty, and in protecting, defending, preserving or enforcing the lien and security interest of this Mortgage or any other Loan Document or any interest in the Mortgaged Property, whether or not suit is filed and waives to the full extent permitted by law all right to plead any statute of limitations as a defense to any action hereunder. Mortgagor agrees to indemnify and hold Mortgagee harmless from any and all liability, loss, damage or expense (including, without limitation, reasonable attorneys' fees and disbursements) that Mortgagee may or might incur hereunder or in connection with the enforcement of any of its rights or remedies hereunder, any action taken by Mortgagee hereunder, or by reason or in defense of any and all claims and demands whatsoever that may be asserted against Mortgagee arising out of the Mortgaged Property; and should Mortgagee incur any such liability, loss, damage or expense, the amount thereof with interest thereon at the Default Rate shall be payable by Mortgagor immediately without demand, shall be secured by this Mortgage, and shall be a part of the Indebtedness.

# UNOFFICIAL COPY

**54. Certain Definitions.** Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage shall be used interchangeably in singular or plural form. The word “**Mortgagor**” shall mean Mortgagor and/or any subsequent owner or owners of the Mortgaged Property or any part thereof or interest therein. The word “**Mortgagee**” shall mean Mortgagee or any subsequent holder of the Notes. The word “**Guaranty**” shall mean any Guaranty Agreement with respect to the Recourse Obligations, any Guaranty of Payment, any Guaranty of Completion, any Guaranty of Collection, any Environmental Indemnity or any other Guaranty or Indemnity given at any time to or for the benefit of Mortgagee in connection with the Loan. The word “**Guarantor**” shall mean any person giving or making any Guaranty. The word “**Notes**” shall mean the Notes or any other evidence of indebtedness secured by this Mortgage. The words “**Loan Documents**” shall mean the Notes, this Mortgage, the loan agreement, if any, between Mortgagor and Mortgagee, the security agreement, if any, between Mortgagor and Mortgagee, the assignment of leases and rents, if any, made by Mortgagor to Mortgagee, any reserve agreements between Mortgagor and Mortgagee, any escrow agreements between Mortgagor and Mortgagee, the assignment of contracts, if any, made by Mortgagor to Mortgagee, all Guaranties, if any, made to Mortgagee, any other Mortgage or deed of trust securing the Notes and any other agreement, instrument, affidavit or document executed by Mortgagor, any Guarantor or any indemnitor and delivered to Mortgagee in connection with the Loan. The word “**person**” shall include an individual, corporation, partnership, trust, unincorporated association, government, governmental authority or other entity. The words “**Mortgaged Property**” shall include any portion of the Mortgaged Property or interest therein. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

**55. No Oral Change.** This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Mortgagor or any one Mortgagor or Mortgagee, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

**56. No Foreign Person.** Mortgagor is not a “foreign person” within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended and the related Treasury Department Regulations, including temporary regulations.

**57. Separate Tax Lot.** The Mortgaged Property is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of such lot or lots, and no other land or improvements is assessed and taxed together with the Mortgaged Property or any portion thereof.

**58. Right to Release Any Portion of the Mortgaged Property.** Mortgagee may release any portion of the Mortgaged Property for such consideration as Mortgagee may require without, as to the remainder of the Mortgaged Property, in any way impairing or affecting the lien or priority of this Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Mortgagee for such release, and may accept by assignment, pledge or otherwise any other property in place thereof

# UNOFFICIAL COPY

as Mortgagee may require without being accountable for so doing to any other lienholder. This Mortgage shall continue as a lien and security interest in the remaining portion of the Mortgaged Property.

**59. Subrogation.** The Mortgagee shall be subrogated for further security to the lien, although released of record, of any and all encumbrances paid out of the proceeds of the Loan secured by this Mortgage.

**60. Administrative Fees.** Mortgagee may charge administrative fees and be reimbursed for all reasonable costs and expenses, including reasonable attorneys' fees and disbursements, associated with reviewing and processing post-closing requests of Mortgagor.

**61. Disclosure.** Mortgagor represents and warrants that (a) it has fully disclosed to Mortgagee all facts material to the Mortgaged Property and the operation and tenants thereof, the Mortgagor, the Mortgagor's business operations, any guarantor of the Recourse Obligations, any indemnitor of environmental liabilities, and any other Guarantor and any principal of any of them and the background, creditworthiness, financial condition and business operations of each, (b) all material information submitted in connection with this Loan is true, correct and complete in all material respects, (c) the financial and operating statements and other accounting information submitted in connection with the Loan are true, correct and complete in all material respects, and fairly present, in all material respects, the financial condition of the Mortgagor, Guarantors and Indemnitors and their respective principals and have been prepared consistent with proper accounting standards, and (d) except as otherwise disclosed to Mortgagee in writing, there is no litigation, action, claim, or other proceeding, pending or threatened which could, in any way, reasonably be expected to materially adversely affect the Applicant, Mortgagor, any Guarantor, any Indemnitor or the principals of any of them, or the Mortgaged Property, Mortgagee's lien thereon, or the financial condition of the Mortgaged Property or any of the aforementioned persons.

**62. Headings, Etc.** The headings and captions of various paragraphs of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

**63. Address of Real Property.** The street address of the Real Property is as follows: 614 North St. Clair Street, Chicago, Illinois 60611.

**64. Method of Payment.** All payments of principal and interest and other amounts due under this Mortgage shall be paid to Mortgagee by Automated Clearing House debit against Mortgagor's account. Mortgagor agrees to provide Mortgagee all necessary authorizations.

**65. Publicity.** Mortgagor agrees that Mortgagee, at its expense, may publicize the financing of the Mortgaged Property in trade and similar publications, except that InterPark, or any owner or buyer or prospective buyer of any interests in InterPark, shall not be named in such publicity without the written consent of any such party to be so named, except as may be required by applicable law.

# UNOFFICIAL COPY

66. **Relationship.** The relationship of Mortgagee to Mortgagor under this Mortgage is strictly and solely that of lender and borrower and nothing contained in this Mortgage or any other Loan Document is intended to create, or shall in any event or under any circumstance be construed to create, a partnership, joint venture, tenancy-in-common, joint tenancy or other relationship of any nature whatsoever between Mortgagee and Mortgagor other than that of lender and borrower.

67. **Homestead.** Mortgagor hereby waives and renounces all homestead and exemption rights provided by the constitution and the laws of the United States and of any state, in and to the Land as against the collection of the Indebtedness, or any part hereof.

68. **No Third Party Beneficiaries.** Nothing contained herein is intended or shall be deemed to create or confer any rights upon any third person not a party hereto, whether as a third-party beneficiary or otherwise, except as expressly provided herein.

69. **Compliance with Regulation U.** Mortgagor represents, warrants and covenants that no part of the proceeds of the Loan will be used for the purpose (whether immediate, incidental or ultimate) of buying or carrying any margin stock within the meaning of Regulation U (12 CFR part 221) of the Board of Governors of the Federal Reserve System of the United States or for the purpose of reducing or retiring any indebtedness which was originally incurred for any such purpose, or for any other purpose which might constitute this Loan a "purpose credit" within the meaning of such Regulation U.

70. **Entire Agreement.** This Mortgage, the Notes and the other Loan Documents constitute the entire agreement among Mortgagor and Mortgagee with respect to the subject matter hereof and all understandings, oral representations and agreements heretofore or simultaneously had among the parties are merged in, and are contained in, such documents and instruments.

71. **Servicer.** Mortgagee may from time to time appoint a servicer (the "Servicer") to administer the Loan, which Servicer shall have the power and authority to exercise all of the rights and remedies of Mortgagee and to act as agent of Mortgagee hereunder.

72. **Book Entry.** Mortgagor hereby appoints Mortgagee as its agent for the purpose of maintaining a registration book in which the ownership of each respective one of the Notes executed by Mortgagor shall be recorded.

73. **Governing Law; Consent to Jurisdiction.** THIS INSTRUMENT SHALL BE GOVERNED AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS AND REMEDIES OF THE PARTIES HERETO SHALL BE GOVERNED BY, THE LAWS OF THE STATE OF ILLINOIS WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (EXCEPT 735 ILCS SECTION 105/5-5 ET SEQ.), EXCEPT TO THE EXTENT THAT FEDERAL LAWS MAY PREVAIL; PROVIDED, HOWEVER, THAT MATTERS RESPECTING THE CREATION, PERFECTION, PRIORITY AND FORECLOSURE OF THE LIEN ON THE MORTGAGED PROPERTY GRANTED PURSUANT TO OR IN CONNECTION WITH THIS INSTRUMENT OR ANY OF THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAW OF THE STATE OR

# UNOFFICIAL COPY

COMMONWEALTH IN WHICH SUCH MORTGAGED PROPERTY IS SITUATED WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PRINCIPLES OF SUCH STATE OR COMMONWEALTH.

EACH MORTGAGOR, ENDORSER AND GUARANTOR HEREBY SUBMITS TO PERSONAL JURISDICTION IN SAID STATE AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN SAID STATE (AND ANY APPELLATE COURTS TAKING APPEALS THEREFROM) FOR THE ENFORCEMENT OF SUCH MORTGAGOR'S, ENDORSER'S OR GUARANTOR'S OBLIGATIONS HEREUNDER, UNDER THE NOTES, THE GUARANTY AND THE OTHER LOAN DOCUMENTS, AND WAIVES ANY AND ALL PERSONAL RIGHTS UNDER THE LAW OF ANY OTHER STATE TO OBJECT TO JURISDICTION WITHIN SUCH STATE FOR THE PURPOSES OF SUCH ACTION, SUIT, PROCEEDING OR LITIGATION TO ENFORCE SUCH OBLIGATIONS OF SUCH MORTGAGOR, ENDORSER OR GUARANTOR. EACH MORTGAGOR, ENDORSER AND GUARANTOR HEREBY WAIVES AND AGREES NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS MORTGAGE, THE NOTES, ANY GUARANTY OR ANY OTHER LOAN DOCUMENT, (A) THAT IT IS NOT SUBJECT TO SUCH JURISDICTION OR THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN THOSE COURTS OR THAT THIS MORTGAGE, THE NOTES, THE GUARANTY AND/OR ANY OF THE OTHER LOAN DOCUMENTS MAY NOT BE ENFORCED IN OR BY THOSE COURTS OR THAT IT IS EXEMPT OR IMMUNE FROM EXECUTION, (B) THAT THE ACTION, SUIT OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM OR (C) THAT THE VENUE OF THE ACTION, SUIT OR PROCEEDING IS IMPROPER. IN THE EVENT ANY SUCH ACTION, SUIT, PROCEEDING OR LITIGATION IS COMMENCED, MORTGAGOR, ENDORSER AND GUARANTOR AGREE THAT SERVICE OF PROCESS MAY BE MADE, AND PERSONAL JURISDICTION OVER SUCH MORTGAGOR, ENDORSER OR GUARANTOR OBTAINED, BY SERVICE OF A COPY OF THE SUMMONS, COMPLAINT AND OTHER PLEADINGS REQUIRED TO COMMENCE SUCH LITIGATION UPON SUCH MORTGAGOR, ENDORSER OR GUARANTOR AT 200 N. LASALLE STREET, SUITE 400, CHICAGO, ILLINOIS 60603.

#### **74. Illinois State Law Provisions.**

(a) The provisions of this Paragraph 74 are an integral part of this Mortgage and in the event of any inconsistencies between the terms and conditions of any other paragraph or provision of this Mortgage and this Paragraph 74, the terms and conditions of this Paragraph 74 shall control.

(b) The proceeds of the indebtedness secured hereby referred to herein shall be used solely for business purposes and in furtherance of the regular business affairs of Mortgagor, and the entire principal obligation secured by this Mortgage constitutes (i) a "business loan" as that term is defined in, and for all purposes of, 815 ILCS 205/4(1)(c), and (ii) a "loan secured by a mortgage on real estate" within the purview and operation of 815 ILCS 205/4(1).

# UNOFFICIAL COPY

(c) Illinois Mortgage Foreclosure Law. It is the intention of Mortgagor and Mortgagee that the enforcement of the terms and provisions of this Mortgage shall be accomplished in accordance with the Illinois Mortgage Foreclosure Law (the "Act"), 735 ILCS 5/15-1101 et seq., and with respect to such Act, Mortgagor agrees and covenants that:

(i) In the event any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage but shall not invalidate or render unenforceable any other provisions of this Mortgage that can be construed in a manner consistent with the Act.

(ii) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

(iii) Mortgagor and Mortgagee shall have the benefit of all of the provisions of the Act, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the Act which is specifically referred to herein may be repealed, Mortgagee shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference.

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

(v) In addition to any provision of this Mortgage authorizing Mortgagee to take or be placed in possession of the Mortgaged Property, or for the appointment of a receiver, Mortgagee shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Act, to be placed in the possession of the Mortgaged Property or at its request to have a receiver appointed, and such receiver, or Mortgagee, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities, and duties as provided for in Sections 15-1701 and 15-1703 of the Act.

(vi) Mortgagor acknowledges that the Mortgaged Property does not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

(vii) Mortgagor hereby voluntarily and knowingly waives its statutory rights to reinstatement and redemption pursuant to 735 ILCS Section 5/15-1601(b).

# UNOFFICIAL COPY

(viii) All advances, disbursements and expenditures made or incurred by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Act (collectively "**Protective Advances**"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(1) all advances by Mortgagee in accordance with the terms of this Mortgage to (i) preserve, maintain, repair, restore or rebuild the improvements upon the Mortgaged Property; (ii) preserve the lien of this Mortgage or the priority thereof; or (iii) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 5/15-1302 of the Act;

(2) payments by Mortgagee of (i) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrances; (ii) real estate taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Mortgaged Property or any part thereof; (iii) other obligations authorized by this Mortgage; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;

(3) advances by Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(4) reasonable attorneys' fees and other costs incurred: (i) in connection with the foreclosure of this Mortgage as referred to in Section 5/15-1504(d)(2) and 5/15-1510 of the Act; (ii) in connection with any action, suit or proceeding brought by or against Mortgagee for the enforcement of this Mortgage or arising from the interest of Mortgagee hereunder; or (iii) in preparation for or in connection with the commencement, prosecution or defense of any other action related to this Mortgage or the Mortgaged Property;

(5) Mortgagee's fees and costs, including reasonable attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearings as referred to in Section 5/15-1508(b)(1) of the Act;

(6) expenses deductible from proceeds of sale as referred to in Section 5/15-1512(a) and (b) of the Act; and

(7) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (i) if the Mortgaged Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof; (ii) if Mortgagor's interest in the Mortgaged Property is a leasehold estate under a lease or sublease, rentals or

# UNOFFICIAL COPY

other payments required to be made by the lessee under the terms of the lease or sublease; (iii) premiums for casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Property imposed by Section 5/15-1704(c)(1) of the Act; (iv) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments deemed by Mortgagee to be required for the benefit of the Mortgaged Property or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit or of affecting the Mortgaged Property; (vi) shared or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Property is a member in any way affecting the Mortgaged Property; (vii) if the Loan secured hereby is a construction loan, costs incurred by Mortgagee for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment, loan agreement or other agreement; (viii) payments required to be paid by Mortgagor or Mortgagee pursuant to any lease or other agreement for occupancy of the Mortgaged Property; and (ix) if this Mortgage is insured, payment of FHA or private mortgage insurance required to keep such insurance in force.

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

(x) This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b)(5) of Section 5/15-1302 of the Act.

(d) Notes. The Note provides, among other things, for final payment of principal and interest under the Note, if not sooner paid or payable as provided therein, to be due no later than November 1, 2030, and for an applicable interest rate of 6.53% per annum, which Note is by this reference thereto being incorporated herein.

(e) Additional Advances. This Mortgage secures payment of such additional sums with interest thereon which may hereafter be loaned to Mortgagor by Mortgagee or advanced under the any of the Loan Documents securing or evidencing the Loan, even though the aggregate amount outstanding at any time may exceed the original principal balance stated herein and in the Note (provided, however, that the indebtedness secured hereby shall in no event exceed an amount equal to \$104,800,000.00).

(f) Collateral Protection Act. Pursuant to the terms of the Collateral Protection Act (815 ILCS 180/1 et seq.), Mortgagor is hereby notified that:



# UNOFFICIAL COPY

"UNLESS MORTGAGOR PROVIDES MORTGAGEE WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS MORTGAGE, MORTGAGEE MAY PURCHASE INSURANCE AT MORTGAGEE'S EXPENSE TO PROTECT MORTGAGEE'S INTERESTS IN THE MORTGAGED PROPERTY, WHICH INSURANCE MAY, BUT NEED NOT, PROTECT THE INTERESTS OF MORTGAGOR. THE COVERAGE PURCHASED BY MORTGAGEE MAY NOT PAY ANY CLAIM MADE BY MORTGAGOR OR ANY CLAIM MADE AGAINST MORTGAGOR IN CONNECTION WITH THE MORTGAGED PROPERTY. MORTGAGOR MAY LATER CANCEL ANY INSURANCE PURCHASED BY MORTGAGEE, BUT ONLY AFTER PROVIDING MORTGAGEE WITH EVIDENCE THAT MORTGAGOR HAS OBTAINED THE INSURANCE AS REQUIRED HEREUNDER. IF MORTGAGEE PURCHASES INSURANCE, THE MORTGAGOR WILL BE RESPONSIBLE FOR THE COSTS OF SUCH INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES IMPOSED 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 TOTAL OBLIGATION SECURED HEREBY. THE COSTS OF SUCH INSURANCE MAY BE GREATER THAN THE COST OF INSURANCE MORTGAGOR MAY BE ABLE TO OBTAIN FOR ITSELF."

*[Signature page to follow]*

**UNOFFICIAL COPY**

Loan Nos. 531109:11 and 531109:51

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage the 10<sup>th</sup> day of October, 2023.

**MORTGAGOR:**

**UGP-ONTARIO/ST. CLAIR, LLC,**  
a Delaware limited liability company

By: Urban Growth Property 4 Limited Partnership,  
a Delaware limited partnership, its sole member

By: UCPLP 4 General Partner, LLC, a Delaware limited liability company, its general partner

By: Urban Growth Property Trust, a Maryland  
real estate investment trust, its sole member

By: 

Name: Andrew Runge

Title: Vice President and Treasurer

# UNOFFICIAL COPY

Loan Nos. 531109:11 and 531109:51

STATE OF ILLINOIS    )  
                                  ) SS:  
COUNTY OF COOK     )

On this 10 day of October, 2023, before me personally came Andrew Runge, to me known, did depose and state that he is the Vice President and Treasurer of Urban Growth Property Trust, a Maryland real estate investment trust, the sole member of UGPLP 4 General Partner, LLC, a Delaware limited liability company and general partner of Urban Growth Property 4 Limited Partnership, the sole member of UGP-ONTARIO ST. CLAIR, LLC, a Delaware limited liability company and who executed and acknowledged the above instrument, and that he signed his name thereto by order of said sole member.

Sarah Braden  
Notary Public



# UNOFFICIAL COPY

## EXHIBIT A

### DESCRIPTION OF LAND

#### PARCEL 1- GARAGE PROPERTY:

LOT 2 IN MAG MILE COURT VERTICAL SUBDIVISION, BEING A SUBDIVISION OF LOTS 2, 3 AND THE EAST 5 FEET OF LOT 4 IN OGDEN'S SUBDIVISION OF PART OF BLOCK 30 IN KINZIE'S ADDITION TO CHICAGO TOGETHER WITH LOTS 1, 2 AND 3 IN SUBDIVISION OF LOT 1 IN OGDEN'S SUBDIVISION OF LOT 1 IN OGDEN'S SUBDIVISION OF PART OF BLOCK 30 IN KINZIE'S ADDITION TO CHICAGO, RECORDED NOVEMBER 25, 2003 AS DOCUMENT 0332927031, ALL IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOT 2: THOSE PARTS OF LOTS 2, 3 AND THE EAST 5 FEET OF LOT 4 IN OGDEN'S SUBDIVISION OF PART OF BLOCK 30 IN KINZIE'S ADDITION TO CHICAGO TOGETHER WITH LOTS 1, 2 AND 3 IN SUBDIVISION OF LOT 1 IN OGDEN'S SUBDIVISION OF LOT 1 IN OGDEN'S SUBDIVISION OF PART OF BLOCK 30 IN KINZIE'S ADDITION TO CHICAGO IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL TAKEN AS ONE TRACT, COMPRISED OF THE FOLLOWING PARCELS:

#### PARCEL A OF LOT 2 (BASEMENT FLOOR):

THAT PART OF THE AFORESAID TRACT OF LAND LYING BELOW AN ELEVATION OF 12.99 FEET, CCD (CITY OF CHICAGO DATUM), DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE DUE SOUTH, ALONG THE EAST LINE OF SAID TRACT, 49.82 FEET; THENCE DUE WEST, 27.13 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 18.86 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 8.77 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 18.86 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 8.77 FEET TO THE POINT OF BEGINNING;

#### PARCEL B OF LOT 2 (GROUND FLOOR):

THAT PART OF THE AFORESAID TRACT OF LAND LYING ABOVE ON ELEVATION OF 12.99 FEET AND BELOW ON ELEVATION OF 30.80 FEET, CCD, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE EAST LINE OF SAID TRACT, 60.32 FEET SOUTH OF THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 15.12 FEET; THENCE NORTH 45 DEGREES, 03 MINUTES, 55 SECONDS WEST, 7.74 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 5.07 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 15.30 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 17.22 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 0.21 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 6.67 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 36.09 FEET TO THE EAST LINE OF SAID TRACT; THENCE DUE NORTH, 13.34 FEET TO THE POINT OF BEGINNING;

#### PARCEL C OF LOT 2 (GROUND FLOOR):

THAT PART OF THE AFORESAID TRACT OF LAND LYING BELOW AN ELEVATION OF 30.80 FEET, AND ABOVE THE FOLLOWING ELEVATIONS, CCD, AND BOUNDED AS FOLLOWS: BEGINNING AT A POINT ON THE EAST LINE OF THE AFORESAID TRACT AT A POINT 3.25 FEET NORTH OF THE SOUTHEAST CORNER OF SAID TRACT AT AN ELEVATION OF 12.99 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, A SLOPE DISTANCE OF 13.53 FEET TO A POINT HAVING ON ELEVATION OF 14.02 FEET; THENCE CONTINUING SOUTH 89 DEGREES, 56 MINUTES, 05

# UNOFFICIAL COPY

SECONDS WEST, A SLOPE DISTANCE OF 44.60 FEET TO A POINT HAVING ON ELEVATION OF 20.60 FEET; THENCE CONTINUING SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, A SLOPE DISTANCE OF 43.79 FEET TO A POINT HAVING ON ELEVATION OF 26.72 FEET; THENCE NORTHWESTERLY, ALONG A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 40.50 FEET AND A CHORD BEARING NORTH 80 DEGREES, 46 MINUTES, 42 SECONDS WEST, A SLOPE DISTANCE (AS MEASURED ALONG THE ARC OF SAID CURVE) OF 13.26 FEET TO A POINT HAVING ON ELEVATION OF 28.59 FEET, THENCE NORTHWESTERLY, ALONG A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 30.00 FEET AND A CHORD BEARING NORTH 53 DEGREES, 36 MINUTES, 02 SECONDS WEST, A SLOPE DISTANCE (AS MEASURED ALONG THE ARC OF SAID CURVE) OF 18.87 FEET TO A POINT HAVING AN ELEVATION OF 30.80 FEET; THENCE NORTH 52 DEGREES, 11 MINUTES, 56 SECONDS EAST, 17.95 FEET TO A POINT HAVING ON ELEVATION OF 30.80 FEET; THENCE SOUTHEASTERLY, ALONG A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 31.25 FEET AND A CHORD BEARING SOUTH 63 DEGREES, 38 MINUTES, 45 SECONDS EAST, A SLOPE DISTANCE (AS MEASURED ALONG THE ARC OF SAID CURVE) OF 29.34 FEET TO A POINT HAVING ON ELEVATION OF 25.28 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, A SLOPE DISTANCE OF 32.36 FEET TO A POINT HAVING ON ELEVATION OF 20.52 FEET; THENCE CONTINUING NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, A SLOPE DISTANCE OF 44.56 FEET TO A POINT HAVING AN ELEVATION OF 14.02 FEET; THENCE CONTINUING NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, A SLOPE DISTANCE OF 13.54 FEET TO THE EAST LINE OF THE AFORESAID TRACT AT A POINT HAVING ON ELEVATION OF 13.00 FEET; THENCE SOUTH 00 DEGREES, 00 MINUTES, 00 SECONDS EAST, 11.67 FEET TO THE POINT OF BEGINNING; ALSO THAT PART LYING BELOW AN ELEVATION OF 30.80 FEET AND LYING ABOVE THE FOLLOWING ELEVATIONS AND BOUNDED AS FOLLOWS: BEGINNING AT A POINT ON THE EAST LINE OF THE AFORESAID TRACT AT A POINT 14.92 FEET NORTH OF THE SOUTHEAST CORNER OF SAID TRACT AT AN ELEVATION OF 13.00 FEET AND THE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, A SLOPE DISTANCE OF 13.54 FEET TO A POINT HAVING ON ELEVATION OF 14.02 FEET; THENCE CONTINUING SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, A SLOPE DISTANCE OF 44.56 FEET TO A POINT HAVING ON ELEVATION OF 20.52 FEET; THENCE CONTINUING SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, A SLOPE DISTANCE OF 32.36 FEET TO A POINT HAVING ON ELEVATION OF 24.78 FEET; THENCE NORTHWESTERLY, ALONG A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 31.25 FEET AND A CHORD BEARING NORTH 45 DEGREES, 03 MINUTES, 55 SECONDS WEST, A SLOPE DISTANCE (AS MEASURED ALONG THE ARC OF SAID CURVE) OF 49.14 FEET TO A POINT HAVING ON ELEVATION OF 26.95 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, A SLOPE DISTANCE OF 28.34 FEET TO A POINT HAVING AN ELEVATION OF 29.42 FEET; THENCE NORTHEASTERLY, ALONG A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 19.50 FEET AND A CHORD BEARING NORTH 25 DEGREES, 01 MINUTES, 56 SECONDS EAST, A SLOPE DISTANCE (AS MEASURED ALONG THE ARC OF SAID CURVE) OF 17.14 FEET TO A POINT HAVING ON ELEVATION OF 30.80 FEET; THENCE SOUTH 62 DEGREES, 04 MINUTES, 41 SECONDS EAST, 40.75 FEET TO A POINT HAVING AN ELEVATION OF 30.80 FEET; THENCE SOUTH 89 DEGREES, 57 MINUTES, 40 SECONDS WEST, A SLOPE DISTANCE OF 11.42 FEET TO A POINT HAVING ON ELEVATION OF 29.56 FEET; THENCE SOUTHWESTERLY, ALONG A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 18.80 FEET AND A CHORD BEARING SOUTH 44 DEGREES, 57 MINUTES, 05 SECONDS WEST, A SLOPE DISTANCE (AS MEASURED ALONG THE ARC OF SAID CURVE) OF 29.65 FEET TO A POINT HAVING ON ELEVATION OF 27.03 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 30 SECONDS EAST, A SLOPE DISTANCE OF 5.47 FEET TO A POINT HAVING AN ELEVATION OF 26.74 FEET; THENCE SOUTHEASTERLY, ALONG A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 19.67 FEET AND A CHORD BEARING SOUTH 45 DEGREES, 02 MINUTES, 23 SECONDS EAST, A SLOPE DISTANCE (AS MEASURED ALONG THE ARC OF SAID CURVE) OF 30.97 FEET TO A POINT HAVING AN ELEVATION OF 24.90 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, A SLOPE DISTANCE OF 31.13 FEET TO A POINT HAVING ON ELEVATION OF 20.43 FEET; THENCE CONTINUING NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, A SLOPE DISTANCE OF 44.51 TO A POINT HAVING AN ELEVATION OF 14.02 FEET; THENCE CONTINUING NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, A SLOPE DISTANCE OF 13.55 FEET TO THE EAST LINE OF THE AFORESAID TRACT AT A POINT HAVING ON ELEVATION OF

# UNOFFICIAL COPY

13.01 FEET; THENCE SOUTH 00 DEGREES, 00 MINUTES, 00 SECONDS, 11.41 FEET TO THE POINT OF BEGINNING;

PARCEL D OF LOT 2 (2ND FLOOR):

THAT PART OF THE AFORESAID TRACT OF LAND LYING BELOW ON ELEVATION OF 41.63 FEET AND ABOVE ON ELEVATION OF 30.80 FEET, CCD, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, ALONG THE SOUTH LINE OF SAID TRACT, 27.51 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING WESTERLY, ALONG SAID SOUTH LINE, 108.74 FEET TO THE SOUTHWEST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES, 05 MINUTES, 09 SECONDS EAST, ALONG THE WEST LINE OF SAID TRACT, 76.70 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 6.46 FEET TO A POINT ON A CURVE; THENCE NORTHEASTERLY, ALONG A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 35.44 FEET AND A CHORD BEARING NORTH 34 DEGREES, 13 MINUTES, 28 SECONDS EAST, AN ARC DISTANCE OF 6.33 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 8.27 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 6.49 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 9.80 FEET TO THE NORTH LINE OF SAID TRACT; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, ALONG SAID NORTH LINE, 119.65 FEET TO THE NORTHEAST CORNER OF SAID TRACT; THENCE DUE SOUTH, ALONG THE EAST LINE OF SAID TRACT, 43.12 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 16.54 FEET TO A POINT ON A CURVE, THENCE SOUTHEASTERLY, ALONG A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 20.43 FEET AND A CHORD BEARING SOUTH 07 DEGREES, 57 MINUTES, 44 SECONDS EAST, AN ARC DISTANCE OF 2.93 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 22.62 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 11.43 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 37.36 FEET TO THE POINT OF BEGINNING, EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID TRACT; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, ALONG THE NORTH LINE OF SAID TRACT, 78.39 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 32.51 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 36.75 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 12.49 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST 1.35 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 5.69 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 8.32 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 16.31 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 13.03 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 15.50 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 1.17 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 10.23 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 7.89 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 8.76 FEET TO THE POINT OF BEGINNING;

PARCEL E OF LOT 2 (3RD FLOOR & 4TH TO 8TH FLOORS):

THAT PART OF THE AFORESAID TRACT OF LAND LYING BELOW ON ELEVATION OF 106.53 FEET AND ABOVE ON ELEVATION OF 41.63 FEET, CCD, EXCEPTING THEREFROM THAT PART LYING BELOW ON ELEVATION OF 52.46 FEET, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID TRACT; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, ALONG THE NORTH LINE OF SAID TRACT, 16.43 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 9.47 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 3.25 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 6.13 FEET TO A POINT ON A CURVE; THENCE SOUTHWESTERLY, ALONG A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 36.00 FEET AND A CHORD BEARING SOUTH 38 DEGREES, 59 MINUTES, 17 SECONDS WEST, AN ARC DISTANCE OF 9.95 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 6.99 FEET TO THE WEST LINE OF SAID TRACT; THENCE NORTH 00 DEGREES, 05 MINUTES, 09 SECONDS EAST, ALONG SAID WEST LINE, 23.30 FEET TO THE POINT OF BEGINNING; ALSO EXCEPTING THEREFROM THAT PART LYING ABOVE ON ELEVATION OF 52.46 FEET, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID TRACT; THENCE NORTH 89

# UNOFFICIAL COPY

DEGREES, 56 MINUTES, 05 SECONDS EAST, ALONG THE NORTH LINE OF SAID TRACT, 10.99 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 4.57 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 1.03 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 4.93 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 3.17 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 6.00 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST 3.17 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES 55 SECONDS EAST, 10.03 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 10.03 FEET TO THE WEST LINE OF SAID TRACT; THENCE NORTH 00 DEGREES, 05 MINUTES, 09 SECONDS EAST, ALONG SAID WEST LINE, 25.54 FEET TO THE POINT OF BEGINNING: ALSO EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID TRACT; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, ALONG THE NORTH LINE OF SAID TRACT, 78.39 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 32.51 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 36.75 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 12.49 FEET; THENCE SOUTH 89 DEGREES 56 MINUTES, 05 SECONDS WEST, 1.35 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 5.69 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 8.32 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 14.07 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 4.10 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 5.20 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 12.13 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 8.14 FEET; THENCE SOUTH 89 DEGREE, 56 MINUTES, 05 SECONDS WEST, 2.96 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 10.15 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 7.89 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST. 8.76 FEET TO THE POINT OF BEGINNING;

PARCEL F OF LOT 2 (9TH FLOOR):

THAT PART OF THE AFORESAID TRACT LYING ABOVE AN ELEVATION OF 106.53 FEET AND BELOW AN ELEVATION OF 120.70 FEET, CCD, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID TRACT; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, ALONG THE SOUTH LINE OF SAID TRACT, 136.25 FEET TO THE SOUTHWEST CORNER OF SAID TRACT; THENCE NORTH 00 DEGREES, 05 MINUTES, 09 SECONDS EAST, ALONG THE WEST LINE OF SAID TRACT, 14.60 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 5.47 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 6.57 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 5.45 FEET TO THE WEST LINE OF SAID TRACT; THENCE NORTH 00 DEGREES, 05 MINUTES, 09 SECONDS EAST, ALONG SAID WEST LINE, 53.29 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 10.03 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 10.03 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 3.17 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 6.00 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 3.17 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 4.93 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST. 1.03 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 4.57 FEET TO THE NORTH LINE OF SAID TRACT; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, ALONG SAID NORTH LINE, 40.38 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 9.71 FEET; THENCE SOUTH 38 DEGREES, 54 MINUTES, 47 SECONDS EAST, 12.84 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 8.73 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 23.50 FEET; THENCE SOUTH 40 DEGREES, 19 MINUTES, 59 SECONDS EAST, 21.38 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 14.10 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 5.41 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 4.23 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 14.24 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 8.49 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 2.69 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 11.39 FEET TO A POINT ON A CURVE; THENCE NORTHWESTERLY, ALONG A CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 31.00 FEET AND

# UNOFFICIAL COPY

A CHORD BEARING NORTH 08 DEGREES, 26 MINUTES, 53 SECONDS WEST, AN ARC DISTANCE OF 7.29 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 1.20 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 7.95 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 15.74 FEET TO THE EAST LINE OF SAID TRACT; THENCE SOUTH 00 DEGREES, 00 MINUTES, 00 SECONDS EAST, ALONG SAID EAST LINE, 67.15 FEET TO THE POINT OF BEGINNING;

PARCEL G OF LOT 2 (9TH FLOOR):

THAT PART OF THE AFORESAID TRACT OF LAND LYING ABOVE AN ELEVATION OF 106.53 FEET AND BELOW AN ELEVATION OF 112.23 FEET, CCD, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, ALONG THE NORTH LINE OF SAID TRACT, 84.73 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 9.71 FEET; THENCE SOUTH 38 DEGREES, 54 MINUTES, 47 SECONDS EAST, 12.84 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 8.73 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 23.50 FEET; THENCE SOUTH 40 DEGREES, 19 MINUTES, 59 SECONDS EAST, 17.35 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 5.69 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 1.75 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 9.49 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 8.06 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 9.71 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 36.46 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES 55 SECONDS EAST, 11.53 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 10.29 FEET TO A POINT ON A CURVE; THENCE NORTHWESTERLY, ALONG A CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 31.00 FEET AND A CHORD BEARING NORTH 12 DEGREES, 07 MINUTES, 31 SECONDS WEST, ON ARC DISTANCE OF 3.31 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 1.20 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 7.95 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES, 05 SECONDS EAST, 15.74 FEET TO THE EAST LINE OF SAID TRACT; THENCE NORTH 00 DEGREES, 00 MINUTES, 00 SECONDS EAST ALONG SAID EAST LINE, 32.85 FEET TO THE POINT OF BEGINNING;

PARCEL H OF LOT 2 (TRANSFER FLOOR):

THAT PART OF THE AFORESAID TRACT OF LAND LYING ABOVE AN ELEVATION OF 120.70 FEET AND BELOW AN ELEVATION OF 132.96 FEET, CCD, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 00 DEGREES, 00 MINUTES, 00 SECONDS EAST, ALONG THE EAST LINE OF SAID TRACT, 44.75 FEET; THENCE WEST, AT RIGHT ANGLES TO THE LAST DESCRIBED LINE, 16.13 FEET TO A POINT ON A CURVE AND THE POINT OF BEGINNING; THENCE SOUTHWESTERLY, ALONG A CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 31.00 FEET AND A CHORD BEARING SOUTH 16 DEGREES, 05 MINUTES, 55 SECONDS WEST, ON ARE DISTANCE OF 25.75 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 12.81 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 5.37 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 4.24 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 12.33 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 4.84 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES, 55 SECONDS WEST, 8.00 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES 05 SECONDS EAST, 10.25 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 1.67 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES 05 SECONDS EAST, 18.61 FEET TO THE POINT OF BEGINNING;

PARCEL I OF LOT 2 (10TH FLOOR):

THAT PART OF THE AFORESAID TRACT OF LAND LYING ABOVE AN ELEVATION OF 132.96 FEET AND BELOW AN ELEVATION OF 141.71 FEET, CCD, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, ALONG THE NORTH LINE OF SAID TRACT, 34.79 FEET; THENCE SOUTH 00 DEGREES, 03 MINUTES, 55 SECONDS EAST, 58.92 FEET TO THE POINT OF BEGINNING;



# UNOFFICIAL COPY

THENCE CONTINUING SOUTHERLY, ALONG THE PROLONGATION OF THE LAST DESCRIBED LINE, 12.88 FEET; THENCE SOUTH 89 DEGREES, 56 MINUTES, 05 SECONDS WEST, 5.40 FEET; THENCE NORTH 00 DEGREES, 03 MINUTES 55 SECONDS WEST, 12.88 FEET; THENCE NORTH 89 DEGREES, 56 MINUTES 05 SECONDS EAST, 5.40 FEET TO THE POINT OF BEGINNING; ALL IN COOK COUNTY, ILLINOIS.

## PARCEL 2:

EASEMENTS FOR THE BENEFIT OF PARCEL 1 AS DEFINED AND GRANTED IN ARTICLE II OF THE DECLARATION OF EASEMENTS AND COVENANTS, CONDITIONS AND RESTRICTIONS OF RECORD WHICH WAS RECORDED MARCH 24, 2004 AS DOCUMENT NO. 0408432047; SAID EASEMENTS ARE FOR THE MAINTENANCE OF GARAGE IMPROVEMENTS; STRUCTURAL SUPPORT; USE OF FACILITIES (AS DEFINED THEREIN) LOCATED IN THE HOTEL PROPERTY AND CONNECTED TO FACILITIES LOCATED IN THE GARAGE PROPERTY; MAINTENANCE AND USE OF THE GARAGE EASEMENT FACILITIES; COMMON WALLS, CEILING AND FLOORS; UTILITIES; PEDESTRIAN ENTRY, PEDESTRIAN INGRESS AND EGRESS FROM GROUND FLOOR ST. CLAIR STREET ELEVATOR LOBBY OF THE GARAGE IMPROVEMENTS TO ST. CLAIR STREET ON, OVER, ACROSS AND THROUGH THE COVERED ENTRY, SIDEWALK AND MOTOR COURT AT THE ST. CLAIR STREET ENTRY TO THE HOTEL; HOTEL ELEVATOR LOBBY, ACCESS TO AND FROM AND USE OF HOTEL ELEVATOR LOBBY; ENCROACHMENTS; LOADING DOCK; STAIRWAYS, ACCESS TO AND FROM AND USE OF HOTEL STAIRWAYS; METER/PUMP ROOM, ACCESS TO AND FROM AND USE OF THE METER/PUMP ROOM LOCATED BELOW THE GARAGE PARCEL; ELECTRICITY ROOMS, ACCESS TO AND FROM AND USE OF ELECTRICITY ROOMS; FIRE COMMAND CENTER, ACCESS TO AND FROM AND USE OF THE FIRE COMMAND CENTER LOCATED IN THE EAST WALL OF ROOM 120; ELEVATOR MACHINE ROOM AND ELEVATOR STORAGE, ACCESS TO AND FROM AND USE OF THE ELEVATOR MACHINE ROOM AND ELEVATOR STORAGE LOCATED BETWEEN THE 9TH AND 10TH FLOORS; BATHROOMS, ACCESS TO AND FROM AND USE OF BATHROOMS LOCATED ON THE GROUND FLOOR "MEN (105)" AND "WOMEN (105A)"; AND FREIGHT ELEVATOR, ACCESS TO AND FROM AND USE OF ELEVATOR #6 AS WELL AS PARCELS B AND C OF LOT 3 ON THE PLAT OF SUBDIVISION.

Common Property Address: 614 St. Clair Street  
Chicago, Illinois 60611

Tax Parcel No.: 17-10-118-013-0000