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FIRST MORTGAGE AND SECURITY AGREEMENT

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THIS FIRST MORTGAGE AND SECURITY AGREEMENT (the "Mortgage"), made as of October 20, 1987, by and among State/Hubbard Associates Limited Partnership (6 West Hubbard Street Limited Partnership), an Illinois limited partnership, located at c/o Captur Development Corporation, 160 North Wacker Drive, Chicago, Illinois 60606 (the "Partnership") and LASALLE NATIONAL BANK, AS TRUSTEE OF AN ILLINOIS LAND TRUST KNOWN ON THE RECORDS OF SUCH LAND TRUSTEE AS TRUST NO. 111629 (the "Land Trustee") (the Partnership and the Land Trustee collectively called the "Mortgagor") and the ILLINOIS DEVELOPMENT FINANCE AUTHORITY, a political subdivision, body politic and municipal corporation duly organized and validly existing under the Constitution and the laws of the State of Illinois, having its principal office at 2 LaSalle Street, Suite 780, Chicago, Illinois 60602 (the "Mortgagee"),

W I T N E S S E T H:

THAT WHEREAS, this Mortgage is made in consideration of the principal sum of Nine Million and Six Hundred Thousand Dollars (\$9,600,000) loaned to the Mortgagor by the Mortgagee out of the proceeds derived from the sale of its Fixed/Floating Rate Industrial Development Revenue Bonds (6 West Hubbard Street Project) Series 1986 (the "Bonds"); and

WHEREAS, the Mortgagor will utilize such funds to finance a portion of the cost of the acquisition of land and the acquisition, construction, improvement, financing and equipping of an office building located in the City of Chicago, Cook County, Illinois, as more fully described on Exhibit A of the hereinafter defined Loan Agreement and as legally described on Schedule I hereof (the "Facility"); and

WHEREAS, such loan was made pursuant to a Loan Agreement dated as of December 1, 1986 as amended and restated by an Amended and Restated Loan Agreement dated as of June 1, 1987, which in turn was amended and restated by a Second Amended and Restated Loan Agreement dated as of August 1, 1987 between the Mortgagee and the Mortgagor (the "Loan Agreement"), and to evidence their obligation to repay the \$9,600,000 loan used to finance the

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costs of the Facility, the Mortgagor has delivered a promissory note payable to the Mortgagee (the "Note"), in the principal amount of \$9,600,000, which Note, together with the Mortgagee's rights in and to the Loan Agreement, and this Mortgage has been and will be assigned by the Mortgagee to LaSalle National Bank, as Trustee (the "Trustee"), under an Indenture of Trust dated as of December 1, 1986, as amended and restated by an Amended and Restated Indenture of Trust dated as of June 1, 1987 by a Second Amended and Restated Indenture of Trust dated as of August 1, 1987 (the "Indenture") between the Mortgagee and the Trustee; and

WHEREAS, the Note shall bear interest, shall mature in the amounts and on the dates and shall otherwise be in the form set forth in the form of Note annexed to the Loan Agreement as Exhibit B; and

WHEREAS, the purchasers of the Bonds are unwilling to purchase the Bonds unless, among other things, the Mortgagor shall execute and deliver this instrument for the purpose of securing the Note, and the Loan Agreement and the Note have been, and this instrument shall be, assigned to the Trustee as security for the Bonds;

NOW, THEREFORE, the Mortgagor, to secure the payment of the principal of and interest on the Note in accordance with the terms and provisions thereof, and the payment of any other sums therein provided for (provided, however, that, notwithstanding anything else in this Mortgage to the contrary, the total indebtedness secured hereby shall not exceed \$10,000,000), and the observance and performance of the covenants and agreements contained herein or in the Note, the Bonds, the Indenture or in any other instrument or document securing the Note or the Bonds or in the Loan Agreement (including, without limitation, the obligation of the Mortgagor under Section 7.2 of the Loan Agreement) and the other indebtedness which this Mortgage by its terms secures, and also in consideration of the sum of Ten Dollars in hand paid, the receipt whereof is hereby acknowledged, does by these presents grant, bargain, sell, convey, mortgage, assign and pledge unto the Mortgagee and its successors and assigns under the Indenture (and does hereby grant a security interest to the Mortgagee and its successors and assigns under the Indenture in) all and singular the properties, rights, interest and privileges described in Granting Clauses 1,

II, III and IV below, all of same being collectively referred to herein as the "Mortgaged Property":

GRANTING CLAUSE I

That certain real estate (the "Real Estate") lying in the City of Chicago, County of Cook and State of Illinois, more particularly described in Schedule I attached hereto and made a part hereof; subject, however, to Permitted Encumbrances (as hereafter defined).

GRANTING CLAUSE II

All buildings and improvements of every kind and description (collectively referred to herein as the "Buildings") now or hereafter erected or placed on the property described in Granting Clause I and all materials intended for construction, reconstruction, alteration and repair of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Mortgaged Property immediately upon the delivery thereof to the Real Estate, and all fixtures of every kind and nature whatsoever now or hereafter owned by Mortgagor and attached to the Real Estate or Buildings, including, but not limited to, all radiators, awnings, shades, screens, all gas, coal, steam, electric, oil and other heating, cooking, power and lighting apparatus and fixtures, all cooling and ventilating apparatus and systems, all plumbing, incinerating, sprinkler equipment and all appurtenances thereto; and all renewals or replacements of any of the foregoing or articles in substitution therefor; subject, however, to Permitted Encumbrances. The address of Mortgagor (debtor) and the Mortgagee (secured party) appear at the beginning of this Mortgage.

GRANTING CLAUSE III

All right, title and interest of Mortgagor now owned or hereafter acquired in and to all and singular the estates, tenements, hereditaments, privileges, easements, franchises and appurtenances belonging or in any wise appertaining to the Real Estate and the Buildings and the reversions, rents, issues, revenues and profits thereof, including all interest of Mortgagor in all

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rents, issues and profits of the aforementioned property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advanced rent or for security) under any and all leases or subleases and renewals thereof of said property (including during any period allowed by law for the redemption of said property after any foreclosure or other sale) together with the right, but not the obligation, to collect, receive and receipt for all such rents and apply them to the indebtedness hereby secured and to demand, sue for and recover the same when due or payable, provided that the assignments made hereby shall not impair or diminish the obligations of Mortgagor under the provisions of such leases nor shall such obligations be imposed upon Mortgagee. By acceptance of this Mortgage, Mortgagee agrees, not as a limitation or condition thereof, but as a personal covenant available only to Mortgagor, that until an event of default shall occur giving Mortgagee the right to foreclose this Mortgage, Mortgagor may collect, receive and enjoy such rents.

GRANTING CLAUSE IV

All equipment and other tangible personal property now or hereafter owned by the Mortgagor and which is now or at any time hereafter located on the real estate described in Schedule I hereto.

TO HAVE AND TO HOLD the Mortgaged Property and the properties, rights and privileges hereby granted, bargained, sold, conveyed, mortgaged, warranted, assigned, pledged and in which a security interest is granted, or intended to be granted to Mortgagee, its successors and assigns, forever; provided, however, that this Mortgage is upon the express condition that if Mortgagor shall pay or cause to be paid all indebtedness hereby secured and shall keep, perform and observe all and singular the covenants and promises in the Note, or in this Mortgage or in any other instrument or document securing the Note or in the Loan Agreement expressed to be kept, performed and observed by Mortgagor, and if the principal of and interest on the Bonds shall have been paid in full or provision made for such payment pursuant to the Indenture, then this Mortgage and the estate and rights hereby granted shall cease, determine and be void and this Mortgage shall be released by Mortgagee upon the written

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request and at the expense of Mortgagor, otherwise to remain in full force and effect.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. In addition to the words and terms elsewhere defined in this Mortgage, the following words and terms as used in this Mortgage shall have the following meanings, unless the context or use indicates another or different meaning or intent:

"Additions or Alterations" means improvements, replacements, alterations, additions, enlargements or expansions in, on or to the Buildings.

"Authorized Borrower Representative" shall have the meaning provided therefor in the Loan Agreement.

"Buildings" shall have the meaning provided therefor in Granting Clause II hereof.

"Credit Agreement" means the agreement between a Credit Facility Issuer and the Borrower, as the same may be amended or supplemented in accordance with its terms and any substitute or additional Credit Agreement pursuant to which a Credit Facility is issued.

"Credit Facility" means from time to time, any letter of credit, confirming letter of credit, bond insurance policy, line of credit or other form of credit support for the Bonds issued by a Credit Facility Issuer and accepted by the Trustee pursuant to Section 211 of the Indenture.

"Credit Facility Issuer" means the provider of the Credit Facility.

"Facility" shall have the meaning provided in the Recitals hereto.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of any state and not regularly employed on a substantial basis by the Mortgagee or Mortgagor and who is acceptable to the Trustee.

"Independent Engineer" means an engineer or engineering firm registered and qualified to practice the

profession of engineering under the laws of Illinois and who or which is not a full-time employee of either the Mortgagee or the Mortgagor and who or which is acceptable to the Trustee.

"Lease" means collectively the Lease Agreements between the Mortgagor, as Landlord, and certain Tenants, for the leasing of the office and retail space comprising the Project.

"Net Proceeds", when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and any extraordinary expenses of the Trustee) incurred in the collection of such gross proceeds.

"Permitted Encumbrances" means, as of any particular time, the Permitted Encumbrances as stated in Exhibit D to the Loan Agreement.

"Real Estate" shall have the meaning provided therefor in Granting Clause 1 hereof.

2. Mortgagor agrees that during the term of this Mortgage it will at its own expense (i) keep the Facility in safe condition, (ii) keep the Buildings and all other improvements forming part of the Facility in good repair and in good operating condition, making from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof and (iii) keep the Facility free from all charges, liens and encumbrances not expressly subordinated to the lien hereof except Permitted Encumbrances. Mortgagor may, also at its own expense, make from time to time any Additions or Alterations to the Buildings it may deem desirable for its business purposes that do not adversely affect the structural integrity of the Buildings or substantially reduce their value; provided that all such Additions or Alterations to the Buildings shall be located wholly within the boundary lines of the Real Estate and provided further that if the cost of such Additions or Alterations shall exceed \$100,000 the Credit Facility Issuer shall have consented thereto in writing, which consent shall not unreasonably be withheld. All such Additions or Alterations so made by the Mortgagor shall become a part of the Mortgaged Property and shall

be subject to the lien of this Mortgage. The Mortgagor will not permit any mechanics' lien, security interest or other encumbrance to remain against the Facility for labor or materials furnished in connection with any Additions or Alterations so made by it unless payment for such labor or materials is not yet due and payable under the contract in question; provided, however, that the Mortgagor may in good faith contest any mechanics' or other lien filed or established against the Facility, and in such event may permit the item so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, provided that nonpayment of any such item will not materially endanger the lien of this Mortgage as to any material part of the Facility or the revenues therefrom, and that neither the Facility nor any material part thereof will be subject to loss or forfeiture as a result of the nonpayment of any such item during such period, and prior to the commencement of any such contest the Mortgagor shall deposit with the Trustee a bond or title insurance policy insuring the Trustee against loss or an amount of cash or letter of credit acceptable to the Trustee and equal to at least one hundred fifty percent (150%) of the contested amount. The Mortgagee will, at the expense of the Mortgagor, cooperate fully with the Mortgagor in any such contest.

3. Mortgagor will promptly pay as the same become due and certify annually to the Trustee upon request received from the Trustee that such payment has been made, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facility or any interest therein or any equipment or other property installed or brought by the Mortgagor therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the revenues, income or profits of the Mortgagee from the Facility which, if not paid, will become a lien on the Facility prior to or on a parity with the lien of this Mortgage or a charge on the revenues and receipts therefrom prior to or on a parity with the charge thereon and the pledge or assignment thereof to be created and made in the Indenture, and including all ad valorem taxes lawfully assessed upon the Real Estate), all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facility and all assessments and charges lawfully made by any governmental body for

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public improvements that may be secured by a lien on the Facility or on the Real Estate.

Mortgagor may, at its expense and in its own name and behalf, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided during such period enforcement of any such contested item shall be effectively stayed and further provided that nonpayment of any such item will not materially endanger the lien or security interest afforded by this Mortgage as to any material part of the Facility or the revenues or receipts therefrom and that neither the Facility nor any material part thereof will be subject to loss or forfeiture as a result of the nonpayment of any such item during such period, and prior to the commencement of any such contest Mortgagor shall deposit with the Trustee a bond or insurance policy insuring the Trustee against loss or an amount of cash or letter of credit acceptable to the Trustee and equal to at least one hundred twenty-five percent (125%) of the contested amount. In the event that Mortgagor shall fail to pay any of the foregoing items required by this Section to be paid by Mortgagor, the Mortgagee, the Trustee or the Credit Facility Issuer may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Mortgagee, the Trustee or the Credit Facility Issuer shall become an additional obligation of Mortgagor to the one making the advancement, which amounts, together with interest thereon at the rate of the Prime Rate (as defined in the Loan Agreement) if advanced by the Mortgagee or the Trustee or at the rate set forth in the Credit Agreement (as defined in the Indenture) if the Credit Facility Issuer makes the advance (collectively, the "Advance Rate") from the date of such advance Mortgagor agrees to pay.

In order to assure the payments of taxes and premiums payable with respect to all insurance policies as and when the same shall become due and payable:

(a) The Mortgagor shall deposit with the Trustee or the Credit Facility Issuer as required by the Credit Facility Issuer, on the first business day of each and every month, an amount equal to one-twelfth (1/12) of the taxes and premiums to become due upon the Facility

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between one (1) and thirteen (13) months after the date of such deposit; provided that in the case of the first such deposit, there shall be deposited in addition an amount which, when added to the aggregate amount of monthly deposits to be made hereunder with respect to taxes and premiums to become due and payable within thirteen (13) months after such first deposit, will provide (without interest) a sufficient fund to pay such taxes and premiums, one month prior to the date when they are due and payable. The amounts of such deposits shall be based upon the Trustee's reasonable estimate as to the amounts of taxes and premiums. The Mortgagor shall promptly upon the demand of the Trustee make additional tax and insurance deposits as the Trustee may from time to time require due to underestimation of the amounts of the taxes and premiums.

(b) In lieu of the deposit provided in the previous paragraph, the Mortgagor may provide a pledged account to the Trustee in the amount of 125% of the estimated taxes and premiums.

(c) The Trustee will, out of the tax and insurance deposits or the pledged account, upon the presentation to the Trustee by the Mortgagor of the bills therefor, pay the taxes and premiums or will, upon the presentation of receipted bills therefor, reimburse the Mortgagor for such payments made by the Mortgagor. If the total tax and insurance deposits or pledged account on hand shall not be sufficient to pay all of the taxes and premiums when the same shall become due, then the Mortgagor shall pay to the Trustee on demand the amount necessary to make up the deficiency.

4. The Mortgagor shall at all times keep the Facility continuously insured against such risks as are customarily insured against by businesses of like size and type, paying as the same become due all premiums in respect thereto, including but not necessarily limited to:

(a) Hazard. Mortgagor shall keep the Facility now existing or hereafter erected insured under a one hundred percent (100%) replacement cost form of insurance policy (containing an agreed-upon amount of replacement cost endorsement) against loss or damage resulting from fire, windstorm and other hazards. All such insurance shall be delivered to the Trustee at least

thirty (30) days before the expiration of the then existing policies and shall have attached thereto standard non-contributing mortgage clauses entitling Trustee to collect any and all proceeds payable under such insurance, as well as standard waiver subrogation endorsements.

(b) Liability. Mortgagor shall carry and maintain comprehensive public liability and workmen's compensation insurance and the amount of coverage shall not be less than One Million and No/100 Dollars (\$1,000,000.00) single limit. Certificates of such insurance shall contain provision for twenty (20) days' notice of Trustee prior to any cancellation thereof.

Copies or certificates of the insurance policies required by this Section shall be delivered by the Mortgagor to the Trustee, and, in the case of policies expiring throughout the term of this Mortgage, copies or certificates of any new or renewal policies shall be delivered by the Mortgagor to the Trustee.

Policies of insurance provided for in this Section shall name the Mortgagee and the Mortgagor as insureds as their respective interests may appear; provided, however, that the Trustee shall also be named as a party insured pursuant to a standard mortgagee clause as its interest may appear and provided further that while the Bonds remain outstanding all casualty insurance proceeds shall be payable as provided in Section 6 hereof.

All insurance required by this Section 4 shall be effected with generally recognized responsible insurance companies authorized to do business in Illinois selected by the Mortgagor and may be by blanket insurance policy or policies. No claim shall be made and no suit or action at law or in equity shall be brought by the Mortgagee or by anyone claiming by, through or under the Mortgagee, against Mortgagor for any damage to the Facility covered by the insurance provided for by this Section 4, however caused, but nothing in this Section shall diminish Mortgagor's obligation to repair or rebuild to the extent provided in Section 6. The Mortgagor shall have the sole right and responsibility to adjust any loss with the insurer involved and to conduct any negotiations in connection therewith, provided that so long as the Bonds remain outstanding and unpaid no settlement or claim in excess of \$100,000 shall be effected without the

written consent of the Trustee, which consent shall not be unreasonably withheld.

5. The Net Proceeds of the insurance carried pursuant to the provisions of Section 4(a) hereof shall be received by the Mortgagor (or the Trustee in accordance with Section 6 hereof) and shall then be paid and applied as provided in Section 6 hereof. The Net Proceeds of insurance carried pursuant to the provisions of Section 4(b) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid.

6. Unless the Mortgagor shall have then or theretofore exercised its option to prepay the Note in whole pursuant to Section 7.1 of the Loan Agreement, or shall be obligated to prepay the Note pursuant to Section 7.2 of the Loan Agreement, if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) the Facility is destroyed (in whole or in part) or is damaged by fire or other casualty, the Mortgagor shall promptly give written notice thereof to the Trustee and the Credit Facility Issuer. All Net Proceeds of insurance resulting from such claims shall be paid to and held by the Trustee in a separate trust account, to be applied in one or more of the following ways as shall be directed in writing by Mortgagor, provided, however, that the Trustee shall not be required to apply any such Net Proceeds for the purposes set forth in (a) below (i) so long as any default or event of default shall have occurred and be continuing under the Loan Agreement or under the Indenture, or (ii) unless the Mortgagor shall have deposited into such trust account moneys sufficient, together with such Net Proceeds, for the restoration as required by (a) below:

(a) The restoration of the improvements located on the Real Estate to substantially the same condition as they existed prior to such destruction or damage, or

(b) Deposited in the Bond Fund for the prepayment of the Bonds; provided that no part of any such Net Proceeds may be applied for such prepayment unless (1) such Net Proceeds are sufficient, together with the other moneys on deposit in the Bond Fund and available therefor, for the prepayment, at the earliest

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date on which the Bonds may thereafter be redeemed, of all of the outstanding Bonds in accordance with the Indenture, or (2) in the event that less than the entire principal amount outstanding of Bonds is to be redeemed, the Mortgagor shall furnish to the Mortgagee and the Trustee a certificate of an Independent Engineer acceptable to the Mortgagee and the Trustee stating (i) that the property forming a part of the Facility which was damaged by such fire or other casualty is not essential to the Mortgagor's use or occupancy of the Facility, or (ii) that the Facility has been restored to a condition substantially equivalent as to both value and utility to its condition prior to the damage by such fire or other casualty.

Unless the Mortgagor shall have exercised its option to prepay the Note in whole pursuant to Section 7.1 of the Loan Agreement, or shall be obligated to prepay the Note pursuant to Section 7.2 of the Loan Agreement, within one hundred twenty days from the date of such fire or other casualty, the Mortgagor shall direct the Mortgagee and the Trustee in writing as to the methods, selecting from the options specified in this Section, that the Mortgagor elects to have the Net Proceeds applied; provided, however, that if within said one hundred twenty days, Mortgagor shall not have elected to apply the Net Proceeds pursuant to (a) above or shall have failed to comply with the requirements thereof, the Net Proceeds shall be applied as set forth in (b) above. Any balance of the Net Proceeds shall be paid into the Bond Fund. If the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture), all Net Proceeds will be paid to the Credit Facility Issuer to the extent of any outstanding balance owed by the Mortgagor under the Credit Agreement (as defined in the Loan Agreement) and then to the Mortgagor.

In the event the Mortgagor shall restore the improvements the Mortgagor will pay into such trust account moneys sufficient together with such Net Proceeds of insurance to pay the cost of repair, rebuilding or restoration of the Facility and will proceed promptly to repair, rebuild or restore the property damaged or destroyed to substantially the same condition as it existed prior to the event causing such damage or destruction with such changes, alterations and modifications (including the substitution and addition of other property) as

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may be desired by the Mortgagor and as will not impair the value, operating unity or productive capacity or the character of the Facility and at the Mortgagor's written direction, the Trustee will apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration, on completion thereof, as the work progresses or as a necessary deposit therefor, provided, however, that the Trustee shall not be required to apply any such Net Proceeds for such repair, rebuilding or restoration so long as any default or Event of Default shall have occurred and be continuing under the Loan Agreement or under the Indenture. Each such direction of the Mortgagor shall be accompanied by a certificate of an architect or engineer or other qualified person (who shall be selected by the Mortgagor and be satisfactory to the Trustee and the Credit Facility Issuer, if a Credit Facility shall then be in effect) in charge of the rebuilding, repairing or restoring, dated not more than thirty days prior to such direction, setting forth in substance that (a) the sum then directed to be applied has been paid by the Mortgagor to, is justly due to or is required as a deposit by, contractors, subcontractors, materialmen, engineers, architects or other persons who shall have rendered services or furnished materials or improvements for the rebuilding, repairing or restoring therein specified; the names of such persons, a brief description of such services or materials or improvements and the several amounts to paid or due to each of such persons; and a statement that none of the costs of the services or materials or improvements described in such certificate has been or is being made the basis of any previous or then pending direction for payment under this Section and that the sum then directed to be applied does not exceed the value of the services or materials or improvements described in the certificate, and (b) that, except for the amount, if any, stated (pursuant to (a) preceding) in such certificate to be due for services or materials or improvements, there is not outstanding any indebtedness known to the persons signing such certificate which is then due for labor, wages, materials, supplies or services in connection with the repairing, rebuilding, or restoring which, if unpaid, might become the basis of vendors', mechanics', laborers' or materialmen's liens (other than those being contested as provided in Section 2 hereof), upon the Facility or any part thereof. In the event said Net Proceeds are not sufficient to pay in full the costs of such repair, rebuilding or restoration, the

Mortgagor will nonetheless complete the work thereof and will pay that portion of the costs thereof in excess of the amount of said Net Proceeds or will advance to the Mortgagee and the Trustee the moneys necessary to complete said work, in which case the Mortgagee will proceed so to complete said work.

Any moneys held by the Trustee in the separate trust account under the provisions of the preceding paragraph may, at the written request of the Authorized Borrower Representative, be invested or reinvested by the Trustee in the investments enumerated in Section 3.5 of the Loan Agreement. The Mortgagor shall forthwith pay to the Trustee for deposit into the trust account the amount of any losses on such investments.

Except as herein otherwise provided, any balance of such Net Proceeds remaining after payment of all the costs of such repair, rebuilding or restoration shall be paid into the Bond Fund. If the Bonds have been fully paid (or provision for the payment thereof has been made in accordance with the indenture) all Net Proceeds will be paid to the Credit Facility Issuer to the extent of any outstanding balance owed by the Mortgagor under the Credit Agreement and then to the Mortgagor.

The Mortgagor shall not, by reason of the payment of such excess costs whether by direct payment thereof or advances to the Mortgagor or Trustee therefor, be entitled to any reimbursement from the Mortgagee, the Trustee or the holders or owners of the Bonds or any abatement or diminution of the amounts payable under this Mortgage, the Note or the Loan Agreement.

7. Unless the Mortgagor shall then or theretofore exercise its option to prepay the Note in whole pursuant to Section 7.1 of the Loan Agreement, or shall be obligated to prepay the Note pursuant to Section 7.2 of the Loan Agreement, if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) title to, or the temporary use of, the Facility or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Mortgagor shall be obligated to continue to make the payments under the Loan Agreement, the Note and this Mortgage. The Mortgagee, the Mortgagor and the Trustee

will cause the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings to be paid to and held by the Trustee in a separate trust account, to be applied in one or more of the following ways as shall be directed in writing by Mortgagor; provided, however, that the Trustee shall not be required to apply any such Net Proceeds for the purposes set forth in (a) below (i) so long as any default or event of default shall have occurred and be continuing under the Loan Agreement or under the Indenture, or (ii) unless the Mortgagor shall have deposited into such trust account moneys sufficient, together with such Net Proceeds, for the restoration as required by (a) below:

(a) The restoration of the improvements located on the Real Estate to substantially the same condition as they existed prior to the exercise of the said power of eminent domain, or

(b) Deposited in the Bond Fund for the prepayment of the Bonds; provided that, no part of any such condemnation award may be applied for such prepayment unless (1) such Net Proceeds are sufficient, together with the other moneys on deposit in the Bond Fund and available therefor, for the prepayment, at the earliest date on which the Bonds may thereafter be redeemed, of all of the outstanding Bonds in accordance with the Indenture, or (2) in the event that less than the entire principal amount outstanding of Bonds is to be redeemed, the Mortgagor shall furnish to the Mortgagee and the Trustee a certificate of an Independent Engineer acceptable to the Mortgagee and the Trustee stating (i) that the property forming a part of the Facility which was taken by such condemnation proceedings is not essential to the Mortgagor's use or occupancy of the Facility, or (ii) that the Facility has been restored to a condition substantially equivalent as to both value and utility to its condition prior to the taking by such condemnation proceedings.

Unless the Mortgagor shall have exercised its option to prepay the Note in whole pursuant to Section 7.1 of the Loan Agreement, or shall be obligated to prepay the Note pursuant to Section 7.2 of the Loan Agreement, within one hundred twenty days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Mortgagor shall direct the Mortgagee and the Trustee in writing as to the meth-

od, selecting from the options specified in this Section, that the Mortgagor elects to have the condemnation award applied; provided, however, that if within said one hundred twenty days, the Mortgagor shall have not elected to apply the Net Proceeds pursuant to (a) above or shall have failed to comply with the requirements thereof, the Net Proceeds shall be applied as set forth in (b) above. Any balance of the Net Proceeds of the award in such eminent domain proceedings shall be paid into the Bond Fund. If the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture), all Net Proceeds will be paid to the Credit Facility Issuer to the extent of any outstanding balance owed by the Mortgagor under the Credit Agreement and then to the Mortgagor.

8. In the event Mortgagor shall fail (i) to keep the Facility in safe condition, (ii) to keep the Buildings and all other improvements forming part of the Facility in good repair and in good operating condition, and otherwise fulfill the requirements of Section 2(ii) hereof, (iii) to pay or cause to be satisfied and discharged any mechanics' or other liens filed or established against the Facility (other than Permitted Encumbrances) not expressly subordinated to the lien of this Mortgage as required by Section 2 hereof, (iv) to pay all taxes or their equivalent, assessments or other governmental or utility charges as required by Section 3 hereof or (v) to maintain the insurance required by Section 4 hereof, the Mortgagee or the Credit Facility Issuer or the Trustee may (but shall be under no obligation to) take such action, including the advancement of amounts of money, as may be necessary to cure such failure after first giving five days' notice in writing to Mortgagor, and all amounts so advanced therefor by the Mortgagee or the Credit Facility Issuer or the Trustee shall become an additional obligation of Mortgagor to the one making the advance, which amounts, together with interest thereon, Mortgagor agrees to pay on demand. Inaction of Mortgagee or the Credit Facility Issuer or the Trustee shall never be considered as a waiver of any right accruing to it on account of any default hereunder on the part of the Mortgagor. The Mortgagee or Credit Facility Issuer or the Trustee, in making any payment here authorized, may do so according to any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of

any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

9. Mortgagor shall pay when due each item of indebtedness herein mentioned, including the principal of, premium and interest on the Note, according to the terms hereof and of the Note. Without notice to the Mortgagor, all unpaid indebtedness secured hereby shall, subject to the terms of the Note, the Loan Agreement, the Indenture and this Mortgage, become due and payable upon the occurrence of any one or more of the following events, any one of which shall constitute an Event of Default hereunder:

(a) Default in the due and punctual payment of any installment of principal, premium, if any, or interest under the Note;

(b) Foreclosure proceedings or their judicial equivalent shall have been commenced with respect to any lien or subordinate mortgage on the Mortgaged Property (regardless of whether or not a Permitted Encumbrance);

(c) Default in the performance or observation of any of the other covenants, agreements or conditions on the part of the Mortgagor contained in this Mortgage if such default is not cured within 30 days following the mailing or delivery to the Mortgagor of notice thereof; or

(d) An "Event of Default" as defined in the Loan Agreement shall occur.

10. When the indebtedness hereby secured shall become due, whether by acceleration or otherwise, Mortgagee shall have the following rights and remedies:

(a) Mortgagee shall, with respect to any part of the Facility constituting property of the type in respect of which realization of a lien or security interest granted therein is governed by the Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation the right to the possession of any such property, or any part thereof, and the right to enter without legal process any premises where any such property may be found. Any requirement of

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said Code for reasonable notification shall be met by mailing written notice to the Mortgagor/Debtor at its address above set forth at least 10 days prior to the sale or other event for which such notice is required. The proceeds of any sale or realization upon any such property shall be applied to the payment of the indebtedness hereby secured, after first deducting therefrom any expenses for retaking, selling and otherwise disposing of said property, including reasonable attorneys' fees and legal expenses incurred by Mortgagee in connection therewith. If any deficiency shall result after such application, then Mortgagor shall be and remain liable therefor and shall immediately pay the same to Mortgagee.

(b) Mortgagee may proceed to protect and enforce its rights hereunder by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law, or, if and only if an Event of Default (as set forth in Section 9 hereof) has occurred, by the foreclosure of this Mortgage.

(c) Upon the bringing of any suit to foreclose this Mortgage, Mortgagee shall, as a matter of right, without notice and without giving bond to Mortgagor or anyone claiming by, under or through it, and without regard to the solvency or insolvency of Mortgagor or the then value of the Facility, to the extent permitted by applicable law, be entitled to have itself appointed and become mortgagee in possession for all or any part of the Facility and the rents, issues and profits thereof, with such power as the court making such appointment shall confer, and Mortgagor hereby consents to the appointment of the Mortgagee as such mortgagee in possession and shall not oppose any such appointment. Any such mortgagee in possession may, to the extent permitted under applicable law, without notice, enter upon and take possession of the Facility or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove Mortgagor or other persons and any and all property therefrom and income, rents, issues and profits accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or until any right of redemption shall expire or otherwise.

(d) In any suit to foreclose the lien hereof there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographic charges, publication costs and costs (which may be estimated as to items to be expended after the entry of the decree) of procuring all such abstracts of title, title searches and examinations, guarantee policies, Torrens certificates and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary to prosecute any foreclosure action or to evidence to the bidder at any sale pursuant thereto the true condition of the title to or the value of the Facility, all of which expenditures shall become so much additional indebtedness hereby secured and be immediately due and payable with interest thereon at a rate of interest equal, as of any time, to the Advance Rate from the date of expenditure until paid.

(e) Upon the happening of any Event of Default (as set forth in Section 9 hereof) Mortgagor in furtherance of, and not by way of limitation of, the granting clauses of this Mortgage, hereby bargains, sells, assigns and sets over to Mortgagee all rents, issues and profits of the Facility, which, whether before or after foreclosure or during the period of redemption, until the full and complete payment of said indebtedness and performance of all obligations, covenants or agreements hereunder, shall accrue and be owing for the use and occupation of the Facility, or of any part thereof. For the purpose aforesaid, Mortgagor does hereby constitute and appoint Mortgagee its attorney in fact irrevocably in its name to receive, collect and receipt for all sums due or owing for such use, rents and occupation, as the same may accrue; and out of the amount so collected to pay and discharge all unpaid indebtedness hereby secured. For the purpose aforesaid, Mortgagee may enter and take possession of the Facility and manage and operate the same and take any action which, in Mortgagee's judgment, is necessary or proper to conserve the value of the Facility. Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the Facility and used by the Mortgagor in the rental or leasing thereof or any part thereof. The right to enter and take possession of the Facility and use any personal property therein, to manage, operate and

conserve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The expense (including any receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured hereby. Mortgagee shall not be liable to account to Mortgagor for any action taken pursuant hereto other than to account for any rents actually received by Mortgagee.

11. Any other provision of this Mortgage notwithstanding, the Credit Facility Issuer shall have the right to direct the time, place and method of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Mortgage, or any other proceedings hereunder, unless the Credit Facility Issuer is in default under any drawing made under the Letter of Credit and such default is continuing.

12. Mortgagor shall not and will not apply for or avail itself of any appraisement, valuation, stay, extension, exemption or redemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the sale of the Facility, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all rights to have the property and estates comprising the Facility marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Facility sold as an entirety. Mortgagor hereby waives any and all rights of redemption from sale to which it may be entitled under the laws of the State of Illinois on behalf of Mortgagor and each and every person acquiring any interest in, or title to, the Facility described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by law.

13. Mortgagee or its agents shall have the right to inspect the Facility at all reasonable times and access thereto shall be permitted for that purpose.

14. No remedy or right of Mortgagee shall be exclusive of, but shall be cumulative and in addition to, every other remedy or right now or hereafter existing at law or in equity or by statute or otherwise. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

15. If Mortgagee shall be made a party to or shall intervene in any action or proceeding affecting the Mortgaged Property or the title thereto or the interest of Mortgagee under this Mortgage or if Mortgagee employs an attorney to collect any or all of the indebtedness hereby secured, Mortgagee shall be reimbursed by Mortgagor, immediately and without demand, for all reasonable costs, charges, expenses and attorneys' fees incurred by it in any such case, and the same shall be secured hereby as a further charge and lien upon the Mortgaged Property.

16. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Mortgage shall be determined to be invalid, illegal or unenforceable by a court of competent jurisdiction, the validity of the other terms of this Mortgage shall in no way be affected thereby.

17. Whenever any of the Mortgagee, Trustee or the Mortgagor is referred to, such reference shall be deemed to include the successor and assigns of such party; and all the covenants, promises and agreements in this Mortgage contained by or on behalf of the Mortgagor, or by or on behalf of Mortgagee, shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not; provided, however, that the Mortgagee shall have no further obligation hereunder when its right, title and interest have been assigned to the Trustee pursuant to the Indenture.

18. This Mortgage and the provisions hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the Trustee, by any other party, if any, against which enforcement of the change, waiver, discharge or termination is sought and by the Credit Facility Issuer, if a Credit Facility is then in effect.

19. This Mortgage may be assigned only pursuant to the terms imposed by the Credit Facility Issuer in the Credit Agreement and with the prior written consents of the Trustee and the Credit Facility Issuer. Any sale, conveyance or transfer of any right, title or interest, legal or equitable, in the Facility or any portion thereof or assignment hereof without such prior written consents, shall constitute a default hereunder.

20. This Mortgage shall be governed and controlled as to validity, enforcement, interpretation, construction, effect and in all other respects, by the statutes, laws and decisions of the State of Illinois. The Mortgagor in order to induce the Trustee to accept this Mortgage agrees that all actions on proceedings arising directly, indirectly or otherwise in connection with, out of, related to, or from this Mortgage shall be litigated at the Trustee's discretion, only in courts located in the State of Illinois. The Mortgagor hereby consents and submits to the jurisdiction of any state or federal court located within the State of Illinois and waives any right to transfer or change the venue of litigation brought against the Mortgagor hereunder.

21. The Mortgagor shall not obtain secondary financing for the Facility except with the prior written consent of the Credit Facility Issuer.

22. All notices, certificates and other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, return receipt requested, addressed as follows: If to the Mortgagee, at 2 North LaSalle Street, Suite 780, Chicago, Illinois 60602, Attention: General Counsel; if to the Mortgagor, at c/o Captur Development Corporation, Attention: Robert F. Thomas, Jr., and Wacker Development Corporation, Attention: Steven J. Cox, each at 160 North Wacker Drive, Chicago, Illinois 60606; if to the Trustee, at 33 North LaSalle Street, Chicago, Illinois 60606, Attention: Cor-

porate Trust Department. A duplicate copy of each notice, certificate or communication given hereunder by the Mortgagee or the Mortgagor shall also be given to the Trustee. The above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or further communications shall be sent.

23. Time is of the essence of the Loan Agreement, the Note and this Mortgage.

24. Notwithstanding anything contained in this Mortgage to the contrary, so long as the Credit Facility Issuer is not in default under the Credit Facility, the Mortgagee and the Trustee shall take no actions pursuant to this Mortgage upon the occurrence of an Event of Default without first obtaining the prior written consent of the Credit Facility Issuer.

25. Notwithstanding anything to the contrary set forth in this Mortgage, the Loan Agreement, the Note, the Bonds, the Indenture, the Assignment of Leases and Rents, or in any other document evidencing or securing the indebtedness hereby secured, Mortgagor shall not be personally liable for payment of any indebtedness hereby secured, it being agreed that in the event of default in the payment or performance of any indebtedness hereby secured, Mortgagee shall look solely to Mortgagor's interest in the Mortgaged Property for the payment of such indebtedness, and no deficiency judgment shall be taken against the Mortgagor, even if the security encumbered by the Mortgage is insufficient to pay the indebtedness hereby secured.

26. This Mortgage is executed by LaSalle National Bank, as Trustee under Land Trust No. 111629, not personally but as Land Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Land Trustee and said Land Trustee hereby warrants in its individual capacity that it possesses full power and authority to execute this instrument, and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on the LaSalle National Bank personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by every person

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now or hereafter claiming any right or security hereunder, and that so far as the LaSalle National Bank personally is concerned, the legal holder or holders of said Note shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said Note provided.

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IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed and sealed, all as of the day and year first above written.

LASALLE NATIONAL BANK, as Trust ee of an Illinois land trust known on the records of such Land Trustee as Trust No. 111629

(SEAL)

By: [Signature]
Its _____

ATTEST:

[Signature]
Its _____

STATE/HUBBARD ASSOCIATES LIMITED PARTNERSHIP

By: Hubbard Development Associates Limited Partnership (Its Sole General Partner)

By: Wacker Development Corporation (General Partner)

By: [Signature]
Stephen J. Cox
President

By: Captur Development Corporation (General Partner)

By: [Signature]
Robert E. Thomas,
President

(SEAL)

Attest:
Jr.

[Signature]

Prepared By: Tim Mohan
Skadden, Arps
333 W Wacker
Chicago IL 60606

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
)
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 20th day of October, 1987 by Robert E. Thomas, Jr. and Steven J. Cox, who acknowledged themselves to be, respectively, the President of Captur Development Corporation, an Illinois corporation and the President of Wacker Development Corporation, an Illinois corporation, and each acknowledged that he executed the foregoing instrument for the purposes therein contained by signing as his own free and voluntary act.

Susan Thelbert
Notary Public

(SEAL)

My Commission expires: 9-28-88

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
COUNTY OF COOK)

I, Susan Ghelerter, a Notary Public in and for the said County in the State aforesaid, do hereby certify that JOSEPH W. LANG and William H. Dillon, personally known to me to be the same persons whose names are, respectively, as Vice President and ASSISTANT SECRETARY of LASALLE NATIONAL BANK subscribed to the foregoing Instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said bank, and delivered the said instrument as the free and voluntary act of said Bank as Trustee as aforesaid, for the uses and purposes therein set forth; and the said ASSISTANT SECRETARY then and there acknowledged that said Vice President, as custodian of the corporate seal of said Bank, did affix the corporate seal of said Bank to said instrument as their own free and voluntary act and as the free and voluntary act of said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth.

20 GIVEN under my hand and notarial seal this day of October, 1987.

Susan Ghelerter
Notary Public in and for Cook County, Illinois

(SEAL)

My Commission expires: 4-28-88

ASSIGNMENT

FOR VALUE RECIEVED the undersigned hereby sells, assigns and transfers unto LaSalle National Bank, as Trustee under an Indenture of Trust dated as of December 1, 1986 between American National Bank & Trust Company of Chicago and the Illinois Development Finance Authority (the "Issuer") all of its right, title and interest in and to that certain First Mortgage and Security Agreement dated as of Oct 20, 1987, 1987 from State/Hubbard Associates Limited Partnership, an Illinois limited partnership, and LaSalle National Bank, as trustee of land trust No. 111629 to the Issuer.

ILLINOIS DEVELOPMENT FINANCE
AUTHORITY

By Renald Moran
(Signature)

Renald Moran
(Name)

EXECUTIVE DIRECTOR
(Title)

(SEAL)

Attest:

Elizabeth Hughes
ASSISTANT Secretary

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 20th day of October, 1987, by _____ and _____ who are, respectively, Executive Director and Secretary of the Illinois Development Finance Authority, an Illinois municipal corporation, on behalf of said municipal corporation.

GIVEN under my hand and notarial seal this 20th day of October, 1987.

Suzanne Mulder
Notary Public in and for
Cook County, Illinois

(SEAL)

My Commission expires: 9-28-88

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PARCEL 1:

Lot 1 in Block 8 in Wolcott's Addition to Chicago in Cook County, Illinois Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

Lot 2 in Block 13 in Kinzie Addition to Chicago, being a Subdivision of the North Fractional Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Address of Property: 248 West Hubbard Street, Chicago, Illinois 60610

P.I.N. 17-09-255-025-10+1
17-09-255-026-10+2

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EXHIBIT A

Mail To: **UNOFFICIAL COPY**

Tim Mohan
Skadden, Arps
333 W Wacker
Chicago IL 60606

LOM 888-HV

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