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COOK COUNTY, ILLINOIS  
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MORTGAGE

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AMERICAN NATIONAL BANK AND TRUST  
COMPANY OF CHICAGO,  
as trustee under the Trust Agreement  
dated March 3, 1986 known as Trust Number 66758

to

RESOURCES PENSION SHARES 3

Address: 2801 W. Roosevelt Rd.  
County: Cook  
City: Broadview  
State: Illinois, 60153

Dated: December 16, 1987

Permanent Tax Numbers 15-16-420-004-0000 and  
15-16-420-005-0000, Volume 168

Parcel 2

Parcel 1

F.A.O  
Office

87669498

Record and return by mail to:

ROGERS & WELLS

200 Park Avenue

New York, New York 10166

Attention: Kathy A. Younkings, Esq.

BOX 333-GG

3087

71-44-2752

MARIA M. LAPLUME 733404

MORTGAGE

THIS MORTGAGE, made as of the 16th day of December, 1987, by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO (the "Mortgagor"), as trustee under that certain Trust Agreement dated March 3, 1986 and known as Trust No. 66758, a national banking association, having its principal office at 33 North LaSalle Street, Chicago, Illinois 60602, to RESOURCES PENSION SHARES 3 (the "Mortgagee"), having its principal office at 666 Third Avenue, New York, New York 10017.

WHEREAS, the Mortgagor has, concurrently herewith, executed and delivered to the Mortgagee, the Mortgagor's note (the "Note") dated the date hereof, in the original principal sum of Four Million One Hundred Eighty Thousand (\$4,180,000.00) Dollars bearing interest at the rate specified therein together with interest and Additional Contingent Interest (as defined in paragraph 5 of the Note) thereon, payable to the order of the Mortgagee, having a maturity date (the "Maturity Date") of the earlier of (i) December 31, 1993, (ii) the date upon which the Note shall be prepaid in accordance with the provisions of paragraph 9 of the Note, or (iii) the acceleration of the indebtedness evidenced by the Note by reason of a default under the Note, this Mortgage or under any of the other documents executed in connection with same, as described on Schedule A attached hereto and made a part hereof (collectively, the "Loan Documents"); and

WHEREAS, the indebtedness evidenced by the Note, including the principal thereof and interest and premium, if any, thereon, and any extensions and renewals thereof, in whole or in part, and any and all other sums which may be at any time due or owing or required to be paid as herein or in the Note provided, are herein called the "Indebtedness Hereby Secured".

NOW, THEREFORE, THIS MORTGAGE WITNESSETH:

That to secure the payment of the principal of and interest and premium, if any, on the Note according to its tenor and effect and to secure the payment of all other Indebtedness Hereby Secured and the performance and observance of all the covenants, provisions and agreements herein and in the Note contained (whether or not the Mortgagor is personally liable for such payment, performance and observance) and in consideration of the premises and Ten Dollars (\$10.00) in hand paid by the Mortgagee to the Mortgagor, and for other good and valuable considerations, the receipt and sufficiency of all of which is

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hereby acknowledged by the Mortgagor, the Mortgagor does hereby GRANT, RELEASE, REMISE, ALIEN, MORTGAGE and CONVEY unto the Mortgagee all and sundry rights, interests and property hereinafter described:

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected or to be erected (the "Premises"), more particularly bounded and described in Schedule B annexed hereto and made a part hereof;

TOGETHER with all right, title and interest, if any, of the Mortgagor in and to (i) any land or vaults lying in the streets, roads, avenues or alleys, open or proposed, in front of and adjoining the Premises, (ii) any and all alleys, sidewalks, strips and gores of land adjacent to or used in connection with the Premises, (iii) any and all rights and interests of every name or nature forming part of or used in connection with and/or the operation and maintenance of the Premises, (iv) all easements, rights-of-way and rights used in connection with the Premises or as a means of access thereto, and (v) all water rights and powers of any nature whatsoever, in any way belonging, relating or pertaining to the Premises;

TOGETHER with all fixtures, chattels, equipment, machinery appliances and other articles of property now or hereafter attached to or located in or upon the Premises, and used or usable in connection with any present or future operation or letting of the Premises or the activities at any time conducted therein (collectively, "Building Equipment"), including but not limited to furnaces, boilers, oil burners, radiators and piping, coal stokers, plumbing and bathroom fixtures, refrigeration, air conditioning and sprinkler systems, wash-tubs, sinks, gas and electric fixtures, stoves, ranges, awnings, screens, window shades, elevators, motors, dynamos, refrigerators, kitchen cabinets, incinerators, plants and shrubbery and all other machinery, appliances, fittings, furniture, furnishings and fixtures of every kind used in the operation of the buildings standing or hereafter erected on the Premises, together with any and all replacements thereof and additions thereto, and all right, title and interest of the Mortgagor in and to any Building Equipment which may be subject to any security agreements, as defined in the Uniform Commercial Code of the State of Illinois ("Security Agreements"), superior in lien to the lien of this Mortgage; it being understood and agreed that all Building Equipment is part and parcel of the Premises and appropriated to the use thereof and, whether affixed or annexed to the Premises or not, shall, for the purpose of this Mortgage, be deemed conclusively to be real estate and mortgaged hereby; and the Mortgagor agrees to execute and deliver, from time to time, such further instruments (including further Security Agreements) as may be requested by

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the Mortgagee to confirm the lien of this Mortgage on any Building Equipment provided that the enumeration of any specific articles of Building Equipment set forth above shall in no way exclude or be held to exclude any items of property not specifically enumerated; but provided that there shall be excluded from and not included within the term "Building Equipment" as used herein and hereby mortgaged and conveyed, any equipment, trade fixtures, furniture, furnishings or other property of tenants of the Premises;

TOGETHER with all leasehold estates, right title and interest of Mortgagor in any and all leases, subleases, arrangements or agreements relating to the use and occupancy of the Premises or any portion thereof (singularly, a "Lease" and collectively, the "Leases"), now or hereafter existing or entered into, together with all cash or security deposits, advance rentals and other deposits or payments of similar nature given in connection with any Leases;

TOGETHER with all rents, issues, profits, royalties, income, avails and other benefits now or hereafter derived from the Premises under Leases or otherwise as referred to in Article 16 hereof, subject to the right, power and authority given to the Mortgagor in the Assignment referred to in said Article 16, to collect and apply the rents;

TOGETHER with any interests, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Premises or other rights, interests, or properties comprising the Premises now owned or hereafter acquired;

TOGETHER with all the estates, interest, right title or other claim or demand which Mortgagor now has or may hereafter have or acquire with respect to the proceeds of insurance in effect with respect to the Premises;

TOGETHER with any and all awards, including interest thereon, heretofore and hereafter made to the Mortgagor for the taking by eminent domain of the whole or any part of the Premises or any easement therein, including any awards for changes of grade of streets, which awards are hereby assigned to the Mortgagee, who is hereby authorized to collect and receive the proceeds of such awards and to give proper receipts and acquittances therefor, and to apply the same toward the payment of the Indebtedness Hereby Secured, notwithstanding the fact that the amount owing thereon may not then be due and payable; and the Mortgagor hereby agrees, upon request, to make, execute and deliver any and all instruments sufficient for the purpose of confirming such assignment of such awards to the Mortgagee,

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free, clear and discharged of any encumbrances of any kind or nature whatsoever; and

TOGETHER with the Mortgagor's rights further to encumber the Premises for debt; the Mortgagor hereby (1) representing as a special inducement to the Mortgagee to make the loan secured hereby that, except for the Purchase Money Mortgage (as defined in Article 46(d)), as of the date hereof, there are no encumbrances to secure debt junior to this Mortgage and (2) covenanting that except for encumbrances having the prior written consent of the Mortgagee, there are to be no such encumbrances as of the date when this Mortgage becomes of record and thereafter will be none, subject to the provisions of Article 46.

TO HAVE AND TO HOLD all and sundry the Premises hereby mortgaged and conveyed or intended so to be, together with such other rights and property described above and with the rents, issues and profits thereof, unto the Mortgagee forever, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois (which rights and benefits are hereby expressly released and waived), for the uses and purposes herein set forth, together with all rights to retain possession of the premises after any default in the payment of all or any part of the Indebtedness Hereby Secured, or the breach of any covenant or agreement herein contained, or upon the occurrence of any Event of Default (as hereinafter defined).

## FOR THE PURPOSE OF SECURING:

- (a) Payment of the indebtedness with interest, accrued interest and Additional Contingent Interest thereon evidenced by the Note and any and all modifications, extensions and renewals thereof, and all other Indebtedness Hereby Secured; and
- (b) Performance and observance by the Mortgagor of all of the terms, provisions, covenants and agreements on the Mortgagor's part to be performed and observed hereunder, including, without limitation, the Assignment referred to in Article 16 hereof;

provided that the aggregate of the Indebtedness Hereby Secured shall at no time exceed \$100,000,000.

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that if all of the Indebtedness Hereby

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Secured shall be duly and punctually paid and all the terms, provisions, conditions and agreements herein contained on the part of the Mortgagor to be performed or observed shall be strictly performed and observed, then this Mortgage and the estate, right and interest of the Mortgagee in the Premises shall cease and become void and of no effect.

AND the Mortgagor covenants with the Mortgagee as follows:

1. The Mortgagor will pay the Indebtedness Hereby Secured

2. (a) The Mortgagor will keep the building on the Premises and Building Equipment insured for the benefit of the Mortgagee (i) against loss by fire, (ii) against loss or damage by windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicle, vandalism and malicious mischief and smoke, by means of an extended coverage "all risk" endorsement (iii) against war risks as, when and to the extent such insurance is obtainable from the United States of America or an agency thereof, (iv) against loss of rentals due to any of the foregoing causes, (v) against loss by flood if the Premises are located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the Flood Disaster Protection Act of 1973, (P.L. 93-234), and (vi) by means of machinery and boiler explosion insurance covering the building on the Premises if such building contains a boiler, in an amount not less than \$100,000.00 and containing a New York standard mortgagee interest endorsement (or substantially similar equivalent) naming the Mortgagee and when and to the extent required by the Mortgagee, against any other risk insured against by persons operating like properties in the locality of the Premises; and the Mortgagor will assign and deliver to the Mortgagee the policies of such insurance and the proceeds thereof; and the Mortgagor will reimburse the Mortgagee for any premiums paid for insurance made by the Mortgagee on the Mortgagor's default in taking out such insurance, or in so assigning and delivering the policies, together with interest thereon at the Default Rate (as defined in Article 4 hereof).

(b) Such insurance may be carried under a blanket policy or policies and shall be provided by policies written in terms and amounts and by companies, satisfactory to the Mortgagee, and losses thereunder shall be payable to the Mortgagee pursuant to a New York standard mortgagee endorsement (non-contributing) and such policies shall provide that each may not be cancelled unless the insurer gives the Mortgagee no less

than ten (10) days' written notice of such cancellation due to nonpayment of premiums or thirty (30) days' written notice of such cancellation due to a non-monetary default. The aggregate amount of the policies of fire and extended coverage "all risk" insurance insuring the Premises shall not be in excess of that amount required to be obtained by all of the tenants of the Premises provided the amount of such insurance shall not be less than (x) the amount of the Indebtedness Hereby Secured or (y) the full replacement value of the building on the Premises and Building Equipment without deduction for depreciation, and such insurance policies shall also contain a replacement cost endorsement with an inflation rider (if available) and shall at all times be in an amount sufficient to obtain a waiver of co-insurance provision or the legal equivalent thereof; the foregoing insurance may be carried under a blanket policy.

(c) Regardless of the types or amounts of insurance required and approved by the Mortgagee, the Mortgagor will assign and deliver to the Mortgagee all policies of insurance acquired by the Mortgagor to insure against any loss or damage to the Premises, as additional security for the Indebtedness Hereby Secured.

(d) Notwithstanding the provisions of law to the contrary, but subject to the provisions of Article 2(h) hereof, the Mortgagee shall be entitled to retain and apply the proceeds of any insurance, whether against fire or other hazard, to the payment of the Indebtedness Hereby Secured or, if the Mortgagee, in its sole discretion shall so elect, the Mortgagee may hold any or all of such proceeds for application to payment of the cost of restoration.

(e) Not less than thirty (30) days prior to the expiration date of each policy furnished by the Mortgagor pursuant to this Article, the Mortgagor will deliver to the Mortgagee a renewal policy or policies marked "premium paid" or accompanied by other evidence of payment satisfactory to the Mortgagee.

(f) In the event of a foreclosure of this Mortgage, or other similar extinguishment of the Indebtedness Hereby Secured, the purchaser of the Premises shall succeed to all the rights of the Mortgagor, including any rights to the proceeds of insurance and to unearned premiums, in and to all policies of insurance assigned and delivered to the Mortgagee pursuant to this Article.

(g) In case of loss covered by policies of insurance, the Mortgagee (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree

creditor, as the case may be) is hereby authorized at its option either (i) to settle and adjust any claim under such policies without the consent of the Mortgagor (provided, however, if at such time no Event of Default shall have occurred and be continuing, the Mortgagee shall not settle or adjust any such claim where the amount of such claim shall be less than \$50,000 without the participation and consent of the Mortgagor, which consent shall not be unreasonably withheld and with respect to a claim where the amount thereof is in excess of \$50,000, the Mortgagee shall not settle or adjust such claim without the participation of the Mortgagor) or (ii) allow the Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss; provided that the Mortgagor may itself adjust losses aggregating not in excess of Five Thousand (\$5,000) Dollars; provided further that in any case the Mortgagee shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the expenses incurred by the Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional Indebtedness Hereby Secured, and shall be reimbursed to the Mortgagee upon demand.

(h) In the event the Premises shall be damaged or destroyed, in whole or in part, by fire or other casualty covered by insurance, the Mortgagor shall give the Mortgagee prompt written notice thereof and provided that (i) the Mortgagor is not in default under this Mortgage or the Note, (ii) in the Mortgagee's reasonable opinion, the Premises can economically and feasibly be repaired and restored to its condition immediately prior to such fire or other casualty, (iii) the Mortgagor diligently proceeds with the repair and restoration of the Premises as nearly as possible to the condition they were in immediately prior to such fire or other casualty, in accordance with the plans and specifications reasonably approved by the Mortgagee, (iv) all existing Leases remain in full force and effect, (v) the Mortgagor has received an executed waiver of subrogation from any insurance carrier who claims that no liability exists to the insured under its policy, and (vi) the fire or other casualty results in damage to less than 50% of the insured value of the Premises, then, and in such event, notwithstanding anything to the contrary contained herein, all insurance proceeds received by the Mortgagee on account of such damage or destruction, less the actual cost, fees and expenses, if any, incurred by the Mortgagee in connection with the adjustment of the loss (the "net proceeds") shall be paid by the Mortgagee to the Mortgagor for the purpose of repairing and restoring the Premises. The net proceeds shall be paid from time to time during the course of repair and restoration, such payments to be made against properly certified vouchers of a competent architect in charge of the repair and



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restoration and approved by the Mortgagee. The Mortgagee shall advance out of the net proceeds toward each payment to be made by or on behalf of the Mortgagor, a percentage of such payment which shall not be more than the percentage determined by dividing the net proceeds held by the Mortgagee (as increased by any deposit required to be made by the Mortgagor as provided below) by the total estimated cost of repairing and restoring the Premises, provided however, the Mortgagee may, at its option, withhold from each amount to be so advanced by it an amount equal to ten (10%) percent of such advance until all repairs and restoration shall have been fully completed and proof furnished to the Mortgagee that no lien or liability has attached or will attach to the Premises in connection with such repair and restoration. If the total estimated cost of repair and restoration as determined by the Mortgagee shall exceed the amount of the net proceeds, the Mortgagee may, at its option, require the Mortgagor, prior to the commencement of such repair and restoration, to deposit with the Mortgagee cash, surety bond, or other collateral reasonably satisfactory to the Mortgagee having a value in an amount equal to such excess costs.

(i) Notwithstanding anything to the contrary herein contained, in the event of a fire or other casualty to 50% or more of the insured value of the Premises and an election by the Mortgagee not to make the net proceeds available to the Mortgagor to pay the cost of repairing and restoring the improvements on the Premises, the Mortgagor shall have the right to prepay the Indebtedness Hereby Secured, in whole only, without penalty or premium provided the Mortgagee shall receive notice of the Mortgagor's election to prepay the Indebtedness Hereby Secured within twenty (20) business days after the Mortgagee shall have elected not to make the net proceeds available and further provided that upon such prepayment, the Mortgagor pays to the Mortgagee all other sums otherwise due on the Maturity Date. If the Mortgagee shall elect to apply the net proceeds to the reduction of the Indebtedness Hereby Secured pursuant to the provisions of this Article 2, no penalty or premium shall be payable with respect thereto.

(j) The Mortgagee is hereby irrevocably appointed by the Mortgagor as attorney-in-fact of the Mortgagor to assign any policy in the event of foreclosure of this instrument or other similar extinguishment of the Indebtedness Hereby Secured.

3. That no building or other property now or hereafter covered by the lien of this Mortgage shall be removed, demolished or materially altered without the prior written consent of the Mortgagee, except that the Mortgagor shall have

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the right, without such consent, to remove and dispose of, free from the lien of this Mortgage, such Building Equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal, any such equipment shall be replaced with other equipment of a value at least equal to that of the replaced equipment and free from any Security Agreement, and by such removal and replacement the Mortgagor shall be deemed to have subjected such Building Equipment to the lien of this Mortgage, or (b) any net cash proceeds received from such disposition shall be paid over promptly to the Mortgagee to be, at the option of the Mortgagee, either applied in reduction of the Principal amount of the Indebtedness Hereby Secured or held until the Maturity Date with interest as additional security for the Indebtedness Hereby Secured.

4. That in the event of any default in the performance of any of the Mortgagor's covenants or agreements herein, the Mortgagee may, at the option of the Mortgagee, after ten (10) days prior written notice to the Mortgagor (except in the case of an emergency in the reasonable opinion of the Mortgagee, in which event no notice shall be required) pay or perform the same and the amount or cost thereof, with interest at a rate per annum (the "Default Rate") equal to 19% per annum shall immediately be due from the Mortgagor to the Mortgagee and secured by this Mortgage. If the principal sum of the Note shall not be paid on the Maturity Date or if the Mortgagor shall be in default in the payment of Installment Payments (as defined in the Note) beyond any applicable grace or cure period, interest on the principal sum and on any other Indebtedness Hereby Secured shall thereafter be computed and paid at the Default Rate.

5. (a) That the Mortgagor will pay, or cause to be paid, all taxes, assessments, water rates, sewer rents and other charges now or hereafter levied against the Premises or any part thereof, and also any and all license fees or similar charges which may be imposed by the municipality in which the Premises are situated for the use of walks, chutes, areas and other space beyond the lot line and on or abutting the public sidewalks and in front of or adjoining the Premises, together with any penalties or interest on any of the foregoing, and in default thereof the Mortgagee after ten (10) days prior written notice to the Mortgagor (which notice shall be deemed to have been given upon the giving of a notice of default under Article 18 hereof) may pay the same and the Mortgagor will repay the same with interest thereon at the Default Rate and the same shall be added to the Indebtedness Hereby Secured and be secured by this Mortgage; that upon request of the Mortgagee, the

Mortgagor will exhibit to the Mortgagee receipts for the payment of all items specified in this Article prior to the date when the same shall become delinquent.

(b) That the Mortgagee may, at its option to be exercised by twenty (20) days written notice to the Mortgagor, require that the Mortgagor deposit with the Mortgagee, on the first day of each and every month, simultaneously with the payment of the monthly installments of principal and/or interest then due under the Note, a sum equal to one-twelfth (1/12) of the annual real estate taxes, assessments, water rates, sewer rents and other charges specified in this Article 5 (collectively, "Taxes") plus one-twelfth (1/12) of the premiums required to keep in force for one year the insurance specified in Article 2 hereof (Taxes and such premiums hereinafter collectively, "Charges") provided, however, such option shall not be exercised by the Mortgagee if and only so long as (i) all Charges are paid in full on or prior to the due date thereof, (ii) the Mortgagor delivers to the Mortgagee copies of the Mortgagor's payment transmittal letters and checks in payment of the Charges, (iii) the Mortgagor provides the Mortgagee with proof of payment of all Charges (and with respect to insurance premiums certificates evidencing such renewal as provided in Article 2) within a reasonable time after such payment and (iv) the Mortgagor is not otherwise in default under this Mortgage, the Note or under any of the other loan documents executed in connection with same. The Mortgagor shall also deposit with the Mortgagee if such deposits shall be so required, at least thirty (30) days prior to the due date of each installment of Charges, such additional amount as may be determined by the Mortgagee in order to provide the Mortgagee with funds sufficient to pay such Charges. It is the intention of the parties that, if such deposits shall be so required, the Mortgagor shall deposit with the Mortgagee the necessary funds so that the Mortgagee, at all times until the full payment and satisfaction of this Mortgage, shall have on hand sufficient deposits covering the accrued amounts of Taxes and insurance premiums. If permitted by law, such funds shall bear no interest and may be commingled with other funds of the Mortgagee. The Mortgagee shall have no obligation to use such funds to pay an installment of Taxes prior to the last day on which payment thereof may be made without penalty or interest or to pay an insurance premium prior to the due date thereof. If the whole of the Indebtedness Hereby Secured shall be declared due and payable by the Mortgagee pursuant to Article 18 hereof or pursuant to any other provision hereof, all such deposits, at the option of the Mortgagee, may be applied in reduction of the Indebtedness Hereby Secured, as the Mortgagee shall elect. If a default exists in the performance of any of Mortgagor's covenants or agreements under the Note or this Mortgage or under

any of the documents executed in connection with same, all such deposits, at the option of Mortgagee, may be applied to cure such default, as the Mortgagee shall elect. If the Mortgagee so applies all or any part of such deposits to cure a default by the Mortgagor, the Mortgagor, within five (5) days after notice from the Mortgagee, shall redeposit the amount so applied so that the Mortgagee shall have the full deposit on hand at all times. Upon an assignment of this Mortgage, the Mortgagee shall have the right to pay over the balance of such deposits in its possession to the assignee and the Mortgagee shall thereupon be completely released from all liability with respect to such deposits and the Mortgagor or owner of the Premises shall look solely to the assignee or transferee in reference thereto. This provision shall apply to every transfer of such deposits to a new assignee. Upon full payment and satisfaction of this Mortgage or at any prior time, at the election of the Mortgagee, the balance of the deposits in its possession shall be paid over to the record owner of the Premises and no other party shall have any right or claim thereto in any event. The Mortgagor agrees, at the Mortgagee's request, to make the aforesaid deposits with such servicer or financial institution as the Mortgagee shall from time to time designate. The Mortgagee may engage a tax searching and reporting service in connection with the payment of real estate taxes on the Premises and the obligations of the parties hereto with respect to such terms and the cost for such service shall be borne by the Mortgagor.

6. That the holder of this Mortgage, in any action to foreclose it, shall be entitled to the appointment of a receiver, without bond or notice to the Mortgagor. The Mortgagor consents and agrees that:

(a) Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court, in which such complaint is filed may appoint a receiver of the Premises;

(b) Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of the Mortgagor at the time of the application for such receiver, and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and the Mortgagee hereunder, or any holder of the Note may be appointed as such receiver;

(c) Such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any

further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period;

(d) The court may, from time to time, authorize the receiver to apply the net income from the Premises in his hands in payment in whole or in part of:

(i) The Indebtedness Hereby Secured or the indebtedness secured by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or such decree, provided such application is made prior to the foreclosure sale; or

(ii) The deficiency in case of a sale and deficiency.

7. That the Mortgagor, within five (5) days upon request in person or within ten (10) days upon request by mail, will furnish a written statement duly acknowledged of the amount due on this Mortgage and whether any offsets or defenses exist against the mortgage debt.

8. That all notices or other communications required or permitted to be given pursuant to the provisions of this Mortgage shall be in writing and shall be deemed given only if mailed by United States registered or certified mail, return receipt requested, or sent by overnight courier, postage prepaid, addressed as follows: (i) to the Mortgagor, at the address first set forth above, (ii) to the Beneficiary (as defined in Article 9 hereof), hereinafter provided, with a copy to Margaret A. Christie, Esq., 117 East Schaumburg Road, Schaumburg, Illinois 60194, and (iii) to the Mortgagee, at the address first set forth above, Attention: Rudolph A. Marini, with a copy to Rogers & Wells, 200 Park Avenue, New York, New York 10166 Attention: Lawrence A. Kestin, Esq.; or to such other address as each party may hereafter designate by notice delivered in accordance herewith. All such notices shall be deemed given (A) two (2) business days after such notices or other communications shall have been deposited with the appropriate United States Postal Clerk if mailed by registered or certified mail or (B) the date of receipt if sent by overnight courier.

9. That the Mortgagor represents that title to the Premises is as set forth in the title policy issued to Mortgagee

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dated as of the date hereof, subject to those liens, encumbrances and other matters of title set forth in such title policy.

10. That in case of a foreclosure sale, or similar extinguishment of the Indebtedness Hereby Secured, the Premises, or so much thereof as may be affected by this Mortgage, may be sold in one or more parcels, or in several interests or portions or in any order or manner.

11. That if any action or proceeding be commenced (including an action to foreclose this Mortgage or to collect the Indebtedness Hereby Secured), in which the Mortgagee becomes a party or participates, by reason of being the holder of this Mortgage or the debt secured hereby, all sums paid by the Mortgagee for the expense of so becoming a party or participating (including attorneys' fees and disbursements) shall on notice and demand be paid by the Mortgagor, together with interest thereon at the Default Rate, and shall be a lien on the Premises, prior to any right or title to, interest in, or claim upon, the Premises subordinate to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage and evidenced by the Note. In any action or proceeding to foreclose this Mortgage, or if the Note is not paid in accordance with its terms and is placed in the hands of an attorney for collection, the Mortgagee shall thereupon become entitled to, and the Mortgagor or any subsequent owner of the Premises shall pay, the attorneys' fees and disbursements of the Mortgagee in connection with such action, which sums shall be added to and collected in such action or proceeding in addition to and apart from the usual costs and allowances to which the Mortgagee may be entitled or awarded under any law or statute applicable to such action or proceeding. The provisions of this Article 11, in addition to any other rights of the Mortgagee hereunder, include the right of the Mortgagee to assess, tax and recover all disbursements, allowances and costs provided by law.

12. That the Mortgagor will maintain the Premises and Building Equipment in good condition and repair, will not commit or suffer any waste thereof or the conduct of any nuisance or unlawful occupation or business on, or use of, the Premises, and will not permit or suffer the removal, demolition or material alteration of any building on the Premises or other properties now or hereafter covered by this Mortgage, and will comply with, or cause to be complied with, all statutes, ordinances and requirements of any governmental authority relating to the Premises; that the Mortgagor will promptly repair, restore, replace or rebuild any part of the Premises or Building Equipment now or hereafter subject to the lien of this

Mortgage which may be damaged or destroyed by any casualty whatsoever or which may be affected by any proceeding of the character referred to in Article 13, provided insurance proceeds are made available to the Mortgagor in accordance with Article 2 hereof; and that the Mortgagor will not initiate, join in, or consent to any change in any private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or defining the uses which may be made of the Premises or any part thereof.

13. That notwithstanding any taking by eminent domain or other governmental action causing injury to, or decrease in value of, the Premises and creating a right to compensation therefor including, without limitation, the change of the grade of any street, the Mortgagor shall continue to pay interest, computed at the rate reserved in the Note, on the entire unpaid principal amount thereof, until the award or compensation for such taking or other action shall have been actually received by the Mortgagee and such award or compensation need not be applied by the Mortgagee in reduction of principal but may be applied in such proportions and priority as the Mortgagee, in the Mortgagee's sole discretion, may elect, to the payment of principal, interest or other sums secured by this Mortgage without payment of any prepayment premium or penalty and/or to payment to the Mortgagor, on such terms as the Mortgagee may specify in its discretion, for the sole purpose of altering, restoring or rebuilding any part of the Premises which may have been altered, damaged or destroyed as a result of any such taking or other action. If, in the event of a taking by eminent domain or other governmental action of all or a portion of the Premises which shall include any substantial part of a building thereon, the Mortgagee shall elect to apply all of the award paid in respect of the Premises to the reduction of the principal balance of the loan secured by this Mortgage, the Mortgagor shall have the right to prepay the Note in whole only without payment of any prepayment premium or penalty but upon payment to the Mortgagee of all sums otherwise due on the Maturity Date (including Additional Contingent Interest). If, however, the Mortgagee shall elect to apply a portion of such award in reduction of the principal sum under the Note to maintain a loan to value ratio which shall be greater than the Applicable Loan to Value Ratio (as defined below) upon completion of the repair and restoration of the Premises and to apply the balance thereof to the cost of repair and restoration of the Premises, the Mortgagor shall not have the right to prepay the Note in whole or in part, except as may be otherwise provided in the Note. For purposes of this Article, the term "Applicable Loan to Value Ratio" shall mean the ratio expressed as a percentage equal to the lesser of (x) 75% or (y) the percentage obtained by dividing the outstanding principal

balance of the Note immediately prior to the taking by the Value of the Premises (as defined in the Note) immediately prior to the taking. For the purposes of this Article, the Value of the Premises shall be mutually determined by the Mortgagee and the Mortgagor, provided, however, if the Mortgagee and the Mortgagor shall fail to agree, for the purposes of this Article, the Value of the Premises shall be determined by an appraiser mutually satisfactory to both the Mortgagee and the Mortgagor, or if the Mortgagee and the Mortgagor shall be unable to agree on an appraiser, by an appraiser appointed by the American Arbitration Association (Chicago, Illinois). If, prior to the receipt by the Mortgagee of such award or compensation, the Premises shall have been sold on foreclosure of this Mortgage, the Mortgagee shall have the right to receive such award or compensation to the extent of any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall or may have been sought or recovered or denied, together with attorneys' fees and the costs and disbursements incurred by the Mortgagee in connection with the collection of such award or compensation.

14. That the Mortgagee and any persons authorized by the Mortgagee shall have the right to enter and inspect the Premises and the Mortgagor's financial books and records at all reasonable times and upon reasonable notice; and that if, at any time after default by the Mortgagor in the performance of any of the terms, covenants or provisions of this Mortgage or of the Note, the management or maintenance of the Premises shall be determined by the Mortgagee to be unsatisfactory, the Mortgagor shall employ, for the duration of such default, as managing agent of the Premises, such person or firm as from time to time shall be approved by the Mortgagee and all costs and expenses incurred by the Mortgagee in connection therewith shall be reimbursed by the Mortgagor promptly upon demand therefor.

15. That the Mortgagor and/or the Beneficiary shall furnish to the Mortgagee: (i) annual financial statements of the Beneficiary certified as true and complete by the Beneficiary and (ii) such other information as the Mortgagee deems necessary or appropriate in determining Additional Contingent Interest (as defined in the Note) or as otherwise reasonably required by the Mortgagee, including without limitation, the following statements, certified by the Beneficiary, to be delivered on or prior to February 1, 1988 and on each February 1 thereafter until the Maturity Date: (i) a current rent roll of the Premises showing the names of all tenants occupying portions of the Premises, the fixed minimum annual rental and all additional rent, if any, payable by each of such tenants for the prior lease year, the commencement and



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expiration dates of each of such Leases, subleases, or other agreements of occupancy pursuant to which such tenants occupy portions of the Premises, including any renewal options therein contained, and a description of all provisions in each of such Leases requiring the payment to Mortgagor of additional rent or other sums in relation to the premises occupied by such tenant; (ii) a list of each of the tenants occupying portions of the Premises who are delinquent in the payment of any rent or additional rent under such tenants respective Lease, including the due date of such delinquent payment and the amount thereof; (iii) a list of all operating expenses, real estate taxes and insurance costs relating to the Premises for the immediately preceding calendar year. Such statements shall be prepared and reviewed at the expense of the Mortgagor in such manner as may be acceptable to the Mortgagee. If the statements furnished shall not be reasonably satisfactory to the Mortgagee or if the Mortgagor and/or the Beneficiary fail to furnish the same when due, the Mortgagee may audit or cause to be audited the books of the Premises and/or the Beneficiary and each such lessee (to the extent the Mortgagor and/or the Beneficiary shall have the right to do so), at the Mortgagor's expense, and the costs of such audit shall be so much additional Indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand.

16. That the Mortgagor hereby assigns to the Mortgagee, as further security for the payment of the Indebtedness Hereby Secured, the rents, issues and profits of the Premises, together with all Leases and other documents evidencing such rents issues and profits now or hereafter in effect and any and all deposits held as security under such Leases, and shall, upon demand, deliver to the Mortgagee an executed counterpart of each Lease or other document. Nothing contained in the foregoing sentence shall be construed to bind the Mortgagee to consent to any Lease or sublease or to bind the Mortgagee to the performance of any of the covenants, conditions or provisions contained in any such Lease or other document or otherwise to impose any obligation on the Mortgagee (including, without limitation, any liability under the covenant of quiet enjoyment contained in any Lease in the event that any tenant shall have been joined as a party defendant in any action to foreclose this Mortgage and shall have been barred and foreclosed thereby of all right, title and interest and equity of redemption in the Premises). The Mortgagor hereby further grants to the Mortgagee the right (i) to enter upon and take possession of the Premises for the purpose of collecting such rents, issues and profits, (ii) to dispossess by the usual summary proceedings any tenant defaulting in the payment thereof to the Mortgagee, (iii) to let the Premises, or any part

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thereof, and (iv) to apply such rents, issues and profits, after payment of all necessary charges and expenses, on account of said Indebtedness Hereby Secured. Such assignment and grant shall continue in effect until the Indebtedness Hereby Secured is paid, the execution of this Mortgage constituting and evidencing the irrevocable consent of the Mortgagor to the entry upon and taking possession of the Premises by the Mortgagee pursuant to such grant, whether foreclosure has been instituted or not and without applying for a receiver. The Mortgagee, however, hereby waives the right to enter upon and take possession of the Premises for the purpose of collecting such rents, issues and profits, and the Mortgagor is hereby granted a license to collect and receive the same until the occurrence of a default by the Mortgagor which remains uncured beyond any applicable grace or cure period (except with respect to a default of the nature described in Article 18(1) or (m), in which event no such grace or cure period shall apply) under any of the covenants, conditions or agreements contained in this Mortgage. The Mortgagor agrees to use such rents, issues and profits in payment of principal and interest becoming due on this Mortgage and in payment of taxes, assessments, water rates, sewer rents and carrying Charges becoming due against the Premises. Such license of the Mortgagor to collect and receive such rents, issues and profits may be revoked by the Mortgagee upon any such default which remains uncured beyond any applicable grace or cure period (except with respect to a default of the nature described in Article 18(1) or (m), in which event no such grace or cure period shall apply) by the Mortgagor by giving not less than five (5) days written notice of such revocation. In the event of any default under this Mortgage which remains uncured beyond any applicable grace period, the Mortgagor will pay monthly in advance to the Mortgagee, on its entry into possession pursuant to the foregoing grant, or to any receiver appointed to collect such rents, issues and profits, the fair and reasonable rental value for the use and occupation of the Premises or of such part thereof as may be in the possession of the Mortgagor, and upon default in any such payment will vacate and surrender the possession of the Premises or such part thereof, as the case may be, to the Mortgagee or to such receiver, and, in default thereof, may be evicted by summary proceedings. Nothing herein contained shall be construed as constituting the Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises by the Mortgagee.

17. (a) That the Mortgagor has no right or power, as against the Mortgagee without its consent, to cancel, abridge or otherwise modify the Leases or subleases of the Premises or any of the terms, provisions or covenants thereof, to accept

prepayments of installments of rent to become due thereunder more than one (1) month in advance thereof and the Mortgagor shall not do so without such consent or to permit the subordination thereof to any lien inferior to this Mortgage. Upon notice and demand, the Mortgagor will, from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered to the Mortgagee, in form satisfactory to the Mortgagee, one or more separate assignments (confirmatory of the general assignment provided in Article 16 hereof) of the lessor's interest in any Lease or sublease now or hereafter affecting the whole or any part of the Premises, restricting the Mortgagor's right or power, as against the Mortgagee, without its consent, to cancel, abridge or otherwise modify, or accept prepayments of installments of rent to become due under any lease or sublease hereafter in existence affecting the whole or any part of the Premises. The Mortgagor shall pay to the Mortgagee on demand any expenses incurred by the Mortgagee in connection with the preparation and recording of any such assignment or agreement. With respect to any lease referred to in this Article 17 or which at any time is covered by any such agreement or any such assignment of lessor's interest in such Lease, the Mortgagor will (i) fulfill or perform each and every condition and covenant of the same to be fulfilled or performed by the lessor thereunder, (ii) give prompt notice to the Mortgagee of any notice of default by the lessor thereunder received by the Mortgagor together with a complete copy of any such notice, and (iii) enforce, short of termination thereof, the performance or observance of each and every covenant and condition thereof by the lessee thereunder to be performed or observed.

(b) All Leases shall require the approval of the Mortgagee. The Mortgagor shall submit to the Mortgagee for its approval (i) the actual proposed Lease, (ii) a summary of the proposed financial terms of such Lease, and (iii) a description and identification of the proposed tenant. If Mortgagee does not give notice to Mortgagor of the disapproval of a proposed Lease within fifteen (15) business days following receipt by Mortgagee with the material required to be sent to it, such Lease shall be deemed approved by Mortgagee. In the event Mortgagee shall have expressly approved a proposed Lease or shall have failed to timely disapprove a proposed Lease, Mortgagee shall be deemed to have waived its right to contest that the stated rentals under such Lease are less than the Fair Market Rental. All Leases must provide for stated rentals not less than the Fair Market Rentals for the proposed tenant. For purposes of this Mortgage the term "Fair Market Rental" shall mean the fair market fixed minimum rent as of the date of letting net of common area maintenance, real estate taxes and

assessments, water and sewage charges, repairs, insurance premiums and utilities, and containing such escalations and other terms and conditions (including an obligation on the lessor's part to make structural repairs to the premises demised thereunder) as is then customary with respect to comparable spaces to comparable tenants in the geographic vicinity of the Premises.

(c) The Mortgagee hereby acknowledges the right on the part of Blaw Knox Corporation ("Blaw Knox"), the tenant under a certain lease dated October 28, 1987 herewith between the Mortgagor, as landlord and Blaw Knox as tenant (the "Blaw Knox Lease"), to enter into certain subleases for portions of the premises demised to Blaw Knox under the Blaw Knox Lease, for terms not extending beyond the end of the term of the Blaw Knox Lease (except for those certain subleases between Blaw Knox and Aluminum Distributors, Inc. and Metro Rebar, Inc., respectively). The Mortgagee shall approve the execution and delivery of said subleases provided and upon the condition that (i) all of the provisions of the Blaw Knox Lease relating to Blaw Knox's right to enter into such sublease shall have been complied with in full, (ii) the subtenant under each of said subleases shall agree that upon the expiration or sooner termination of the Blaw Knox Lease, such subtenant shall attorn to the Mortgagor as its landlord thereunder, (iii) the Mortgagor is not then in default under the Loan Documents beyond any applicable grace or cure period and (iv) the Mortgagor shall pay to the Mortgagee all of the costs and expenses incurred by the Mortgagee in connection therewith. Provided that the foregoing shall have been complied with in full, the Mortgagee shall respond within three (3) business days after it shall have received a request for approval therefore, failing which the Mortgagee shall be deemed to have approved any such sublease. If the Mortgagee is unwilling to approve any such sublease, it shall soon notify the Mortgagor in said three business days period giving its reasons therefor.

18. That all sums otherwise payable on the Maturity Date in accordance with the terms of the Note shall become due at the option of the Mortgagee: (a) after default in the payment of any installment of principal or interest or other sum due under the Note for ten (10) days; or (b) after default in the payment of any tax, water rate, sewer rent, assessment or vault license fee for ten (10) days after the last date upon which such tax, water rate, sewer rent, assessment or vault license fee may be paid without interest and/or penalty; or if the Mortgagor fails to furnish the Mortgagee promptly upon demand with receipted tax bills or other proof of payment of the aforesaid items by no later than the dates on which such items

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must be paid so as not to constitute a default hereunder; or (c) after default after twenty (20) days notice, either in assigning and delivering the policies of insurance herein described or referred to, or in reimbursing the Mortgagee for premiums paid on such insurance, as hereinbefore provided; or (d) upon the actual or threatened waste, removal or demolition of any building or other property on the Premises, except as permitted by Article 3; or (e) upon assignment by the Mortgagor of the whole or any part of the rents, issues or profits arising from the Premises to any person without the written consent of the Mortgagee or if, except as otherwise provided herein, without such consent, the Mortgagor shall further encumber the Premises (and/or the beneficial interest in the Mortgagor) or any portion thereof for debt (including, without limitation, secured transactions under the Uniform Commercial Code of the State of Illinois); or (f) if the building on the Premises is not maintained in reasonably good repair; or (g) after failure to comply with any requirement, order or notice of violation of law or ordinance issued by any governmental department claiming jurisdiction over the Premises within three (3) months from the issuance thereof; or (h) if, on application of the Mortgagee, two (2) or more fire insurance companies lawfully doing business in the State of Illinois refuse to issue policies insuring the building on the Premises; or (i) after thirty (30) days notice to the Mortgagor in the event of the passage of any law deducting from the value of land for the purposes of taxation any lien thereon, or changing in any way the taxation of mortgages or debts secured thereby for state or local purposes, or the manner of collecting such taxes and imposing a tax, either directly or indirectly, on this Mortgage or the Note, however, the same shall not constitute a default hereunder provided the Mortgagor may lawfully pay, and in fact pays, such tax no later than the date on which such tax may be paid without interest and/or penalty; or (j) if the Mortgagor shall fail to make payment of any other sums required to be paid hereunder within the period required by specific provision of this Mortgage, or, if no such period is so provided, by not later than ten (10) days after written notice; or (k) if the Mortgagor shall fail to comply with any other covenants or conditions contained in this Mortgage and, except with respect to failure to pay money, such failure shall continue unremedied for the period within which performance is required to be made by specific provision of this Mortgage, or, if no such period is so provided, for a period of twenty (20) days after notice thereof shall have been given by the Mortgagee or, with respect to any such default which, in the sole and exclusive judgment of the Mortgagee, shall be of such a nature that it cannot reasonably be cured or remedied within twenty (20) days, if the Mortgagor shall not promptly commence and exercise due diligence and continuous effort to remedy the same; or (l) if the Mortgagor

shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) file a petition in bankruptcy or a petition to take advantage of any insolvency act; (iii) make an assignment for the benefit of creditors; (iv) consent to, or acquiesce in, the appointment of a receiver, liquidator or trustee of itself or of the whole or any substantial part of its properties or assets; (v) file a petition or answer seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the federal bankruptcy laws or any other applicable law; or (m) (i) if, without the Mortgagor's consent or acquiescence, a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver, liquidator, or trustee of the Mortgagor, or of the whole or any substantial part of the property or assets of the Mortgagor and such order, judgment or decree shall remain unvacated, or not set aside, or unstayed for sixty (60) days, or (ii) if a petition shall be filed against it seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the federal bankruptcy laws or any other applicable law and such petition shall remain undismissed for sixty (60) days, or (iii) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Mortgagor or of the whole or any substantial part of its property or assets, and such custody or control shall remain unterminated or unstayed for sixty (60) days; or (n) if judgment for Fifty Thousand (\$50,000.00) Dollars or more shall be rendered against the Mortgagor which shall not be discharged or bonded pending appeal within thirty (30) days from the entry thereof; or (o) if any representation, warranty or statement contained in any writing delivered to the Mortgagee simultaneously with the execution and delivery hereof, shall prove to be incorrect in any material respect; or (p) if, except as otherwise provided herein, without the prior consent of the Mortgagee (i) the Premises, or any part thereof (and/or the beneficial interest in the Mortgagor), shall be sold or otherwise transferred by the Mortgagor or the Beneficiary, or (ii) if the Beneficiary shall be a corporation, a controlling amount of its voting stock shall be sold or otherwise transferred or pledged, hypothecated or otherwise transferred as security for debt, or (iii) if, except as otherwise provided herein, the Beneficiary shall be a partnership, joint venture, syndicate or other group, all or any portion of the interest of any general partner or member thereof shall be sold or otherwise transferred or pledged, hypothecated or otherwise transferred as security for debt; or (q) at the option of the Mortgagee, if the Mortgagor shall fail to comply with any term or provision of any agreement executed by the Mortgagor with or in favor of the Mortgagee and delivered to the Mortgagee in connection with the execution hereof; or (r) if the Mortgagor shall fail to maintain

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in full force and effect, the policies of insurance required pursuant to the provisions of Article 2 hereof; or (s) if, except as otherwise provided herein, there is a cancellation or modification of or an amendment to or change in any Lease.

19. That any failure by the Mortgagee to insist upon the strict performance by the Mortgagor of any of the terms and provisions hereof shall not be deemed to be a waiver of any of the terms and provisions hereof, and the Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the Mortgagor of any and all of the terms and provisions of this Mortgage to be performed by the Mortgagor; that neither the Mortgagor nor any other person now or hereafter obligated for the payment of the whole or any part of the sums now or hereafter secured by this Mortgage shall be relieved of such obligation by reason of the failure of the Mortgagee to comply with any request of the Mortgagor, or any other person so obligated, to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage or any obligations secured by this Mortgage, or by reason of the release, regardless of consideration, of the whole or any part of the security held for the Indebtedness Hereby Secured, or by reason of any agreement or stipulation between any subsequent owner or owners of the Premises and the Mortgagee extending the time of payment or modifying the terms of the Note or this Mortgage without first having obtained the consent of the Mortgagor such other person, and in the latter event, the Mortgagor and all such other persons shall continue liable to make such payments according to the terms of any such agreement of extension or modification unless expressly released and discharged in writing by the Mortgagee; that, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate lien on the Premises, the Mortgagee may release the obligation of anyone at any time liable for any of the Indebtedness Hereby Secured or any part of the security held for the indebtedness without, as to the security or the remainder thereof, in anywise impairing or affecting the lien hereof or the priority thereof over any subordinate encumbrance; and that the Mortgagee may resort for the payment of the Indebtedness Hereby Secured to any other security therefor held by the Mortgagee in such order and manner as the Mortgagee may elect.

20. That if at any time the United States of America, any state thereof or any governmental subdivision of such state, having jurisdiction, shall require internal revenue stamps to be affixed to the Note, or other tax paid on or in connection therewith (excluding income tax or the like payable

by the Mortgagee), the Mortgagor will pay the same with any interest or penalties imposed in connection therewith.

21. That when and if the Mortgagor and the Mortgagee shall respectively become the Debtor and Secured Party in any Uniform Commercial Code Financing Statement affecting Building Equipment or other property referred to or described herein, this Mortgage shall be deemed a Security Agreement as defined in the Uniform Commercial Code of the State of Illinois and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, (ii) by general law, or (iii) as to such part of the security which is also reflected in such Financing Statement, by the specific statutory consequences now or hereafter enacted and specified in such Uniform Commercial Code, all at the Mortgagee's sole election. The filing of such a Financing Statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing this declaration and hereby stated intention of the parties hereto, that all items of Building Equipment and other property used in connection with the production of income from the Premises (furniture only excepted) or adapted for use therein and/or which is described or reflected in this Mortgage are, and at all times and for all purposes and in all proceedings, both legal and equitable, shall be, regarded as part of the real estate irrespective of whether or not (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with the Mortgagee, or (iii) any such item is referred to or reflected in any such Financing Statement so filed at any time. Similarly, the mention in any such Financing Statement of (1) the rights in or the proceeds of any life and/or hazard insurance policy, (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) the debtor's interest as lessor in any present or future Lease or rights to income growing out of the use or occupancy of the Premises, whether pursuant to a Lease or otherwise, shall never be construed as in any way altering any of the rights of the Mortgagee as determined by this instrument or impugning the priority of the Mortgagee's lien granted hereby or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of the Mortgagee in the event any court or judge shall at any time hold with respect to (1), (2) or (3) that notice of the Mortgagee's priority of interest, to be effective against a particular class of persons, including but not limited to the Federal Government and any subdivisions or entity of the Federal Government must be filed in the Uniform Commercial Code records. Pursuant to the Uniform Commercial



Code of the State of Illinois, the Mortgagor hereby authorizes the Mortgagee, without the signature of the Mortgagor, to execute and file Financing Statements if the Mortgagee shall determine that such are necessary or advisable in order to perfect its security interest in any fixtures, chattels or articles of personal property covered by this Mortgage, and shall pay to the Mortgagee on demand any expenses incurred by the Mortgagee in connection with the preparation, execution and filing of such statements and any continuation statements that may be filed by the Mortgagee.

22. That the Mortgagor will not at any time insist upon or plead, or in any manner whatever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor claim, take or insist upon the benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisement of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to decree, judgment or order of any court of competent jurisdiction; or, after such sale or sales, claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof; and without limiting the foregoing:

- (a) The Mortgagor hereby acknowledges that the Premises do not constitute agricultural real estate, as said term is defined in § 15-1201 of the Illinois Mortgage Foreclosure Act, (the "Act") or residential real estate as defined in § 15-1229 of the Act. The Mortgagor hereby waives any and all rights of redemption pursuant to § 15-1601(b) of the Act.
- (b) The Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power or remedy herein or otherwise granted or delegated to the Mortgagee but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted; and
- (c) If the Mortgagor is a trustee, the Mortgagor represents that the provisions

of this Article (including the waiver of redemption rights) were made at the express direction of the Mortgagor's beneficiaries and the persons having the power of direction over the Mortgagor, and are made on behalf of the Trust Estate of the Mortgagor and all beneficiaries of the Mortgagor, as well as all other persons mentioned above.

23. That the clauses and covenants contained herein shall afford rights supplemental to and not exclusive of the rights and remedies of the Mortgagee conferred by the laws of the State of Illinois and shall not impair, modify, alter or defeat such rights notwithstanding that such clauses and covenants may relate to the same subject matter or provide for different or additional rights in the same or similar contingencies as the clauses and covenants of the laws of the State of Illinois; that the rights of the Mortgagee arising under the clauses and covenants contained in this Mortgage shall be separate, distinct and cumulative and none of them shall be in exclusion of the others; and that no act of the Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding. No delay in the exercise or omission to exercise any remedy or right by the Mortgagee, shall 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. Any such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by the Mortgagee.

24. That the Mortgagor: (i) shall keep this Mortgage a valid mortgage lien upon the Premises; (ii) shall not at any time create or allow to accrue or exist any debt, lien or charge which would be prior to or on a parity with the lien of this Mortgage upon any part of the Premises; and (iii) shall not cause or permit the lien of this Mortgage to be diminished or impaired in any way.

25. That the Mortgagee shall have the right to appear in and defend any action or proceeding brought with respect to the Premises and to bring any action or proceeding, in the name and on behalf of the Mortgagor, which Mortgagee, in its discretion, feels should be brought to protect its interest in the Premises.

26. That this Mortgage and the Note are to be construed and enforced in accordance with the laws of the State of Illinois.

27. That wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word "Lease" shall mean "tenancy, subtenancy, lease, sublease or license", the word "Mortgagor" shall mean "Mortgagor and any subsequent owner or owners of the Premises", the word "Beneficiary" shall mean "Beneficiary and any other person having a beneficial interest in the Mortgagor", the word "Mortgagee" shall mean "Mortgagee or any subsequent holder or holders of this Mortgage", the word "person" shall mean "an individual, corporation, partnership or unincorporated association" and the word "Premises" shall include the real estate hereinbefore described, together with all Building Equipment, condemnation awards and any other rights or property interests at any time made subject to the lien of this Mortgage by the terms hereof.

28. That the Mortgagor shall pay all fees and charges incurred in the enforcement of the Note and secured by this Mortgage, including, without limitation, the fees and disbursements of the Mortgagee's attorneys, charges for appraisals, fees and expenses relating to examination of title, title insurance premiums, surveys and mortgage recording, documentary, transfer or other similar taxes and revenue stamps.

29. If the Mortgagee purchases the Premises pursuant to a foreclosure under this Mortgage, or accepts an assignment of the Premises in lieu of a foreclosure, the Mortgagor hereby authorizes the Mortgagee to withhold the amount of tax, if any, required to be withheld under Section 1445 of the Internal Revenue Code of 1954, as amended (or any successor provision thereto), out of any sums payable to the Mortgagor from such foreclosure sale or assignment in lieu thereof, as the case may be, after payment of all parties other than the Mortgagor who are entitled to be paid out of any foreclosure or assignment proceeds, as if the Mortgagor were a foreign person, unless the Mortgagor certifies its nonforeign status at the time of such foreclosure sale or assignment, as the case may be, by executing and delivering to the Mortgagee a certificate satisfactory to the Mortgagee.

30. That in the event for any reason whatsoever, any payment by or act of the Mortgagor pursuant to the terms hereof or pursuant to the Note shall result in payment of interest which would exceed the limit authorized by, or be in violation of the law of, the State of Illinois, then the excess amount shall be, at the Mortgagee's option, either (i) waived and returned to the Mortgagor, (ii) upon notice to the Mortgagor, applied in reduction of the outstanding principal balance of the Indebtedness Hereby Secured or (iii) retained by

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the Mortgagee as additional cash collateral for the Indebtedness Hereby Secured and returned to the Mortgagor upon repayment of the Indebtedness Hereby Secured in full.

31. That this Mortgage may not be changed or terminated orally; and the covenants contained in this Mortgage shall run with the land and bind the Mortgagor, the heirs, personal representatives, successors and assigns of the Mortgagor and all subsequent encumbrancers, tenants and subtenants of the Premises, and shall inure to the benefit of the Mortgagee, the successors and assigns of the Mortgagee. The word "Mortgagor" shall be construed as if it read "Mortgagors" whenever the sense of this Mortgage so requires.

32. Except as may be expressly set forth to the contrary in the Note, by acceptance of this Mortgage, the Mortgagee agrees that neither the Mortgagor, the Beneficiary nor the Principals (as defined below) shall have any personal obligation for the payment of all or any portion of the Indebtedness Hereby Secured, or interest therein, or for the payment of any obligation of Mortgagor, the Beneficiary and/or the Principals under this Mortgage or the Note or for any other default hereunder, it being agreed that the payment of the indebtedness and the payment of any obligation of the Mortgagor, the Beneficiary and/or the Principals under this Mortgage, the Note and the other loan documents executed in connection with the same may be enforced only against the interest of the Mortgagor in the Premises (and the Beneficiary's interest in the Mortgagor) and the other property covered by this Mortgage, and against the rents, issues and profits thereof, and against any other security given to secure the Note, and the Mortgagee, by its acceptance hereof, agrees that no judgment shall, in any event, be entered against the Mortgagor, the Beneficiary and/or the Principals in any sale or other action under the Mortgage or in any action upon the Note except to the extent (i) the Mortgagor and/or the Beneficiary have received rentals or other revenues or payments in respect of the Premises within ninety (90) days prior to the commencement of foreclosure proceedings which are not applied by the Mortgagor and/or the Beneficiary to payments due under the Note or this Mortgage or for the payment of Charges, (ii) the Mortgagor shall have liability to the Mortgagee for the obligations and/or indemnities described in Article 47 of this Mortgage, the Beneficiary shall have liability to the Mortgagee for the obligations and/or indemnities described in that certain Indemnity Agreement dated of even date herewith between the Beneficiary and the Mortgagee and the Principals shall have liability to the Mortgagee for the obligations and/or indemnities contained in that certain Guaranty of Payment and that certain Guaranty of Payment and Performance both dated of even date herewith made by the

Principals for the benefit of the Mortgagee, provided, however, that the provisions of this Article shall in no way affect the Mortgagee's other remedies, the Mortgagee's rights or liens in and to the Premises, or any part thereof, for the payment of said principal, indebtedness, interest, or any other amounts payable under this Mortgage or for the enforcement of any other covenant under this Mortgage, or the Mortgagee's rights and remedies under any guarantees given in connection with the loan secured by this Mortgage. For purposes of this Mortgage, the term "Principals" shall be deemed to mean the current partners of the Beneficiary.

33. This Mortgage shall secure, in addition to the repayment of the indebtedness and interest thereon under the Note, accrued interest and the Additional Contingent Interest payable by the Mortgagor to the Mortgagee pursuant to the terms of the Note. The sum secured by this Mortgage shall not be deemed to have been paid in full, and the Mortgagor shall not be required to execute and deliver a satisfaction or assignment of this Mortgage, until receipt by the Mortgagor, in immediately available federal funds, of the indebtedness evidenced by the Note, including all accrued interest and Additional Contingent Interest in accordance with the terms of the Note.

34. It is expressly understood and agreed, anything to the contrary notwithstanding, that although this Mortgage and the Note impose no obligation on the Mortgagee (other than as expressly provided herein), the liability of the Mortgagee for its obligations under or with respect to this Mortgage and the Note, if any, is limited to the assets of Resources Pension Shares 3 ("RPS"). In no event shall the Mortgagor look to, make any claim against the Mortgagee (except to the extent of its assets), Resources Pension Advisory Corp., Integrated Resources, Inc., Resources Variable Account Management Corp. or any person or entity having any interest in RPS or its assets, or any officer, director, shareholder, employee, agent or representative of any of such corporations, persons or entities, on account of the obligations of Mortgagee hereunder.

35. If any term, covenant or condition of the Mortgage shall be held to be invalid, illegal or unenforceable in any respect, the Mortgage shall be construed without such provision.

36. Wherever pursuant to this Mortgage, the Mortgagee exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to the Mortgagee, the decision of Mortgagee to approve or disapprove or to decide that the arrangements are satisfactory

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or not satisfactory shall be in the sole discretion of Mortgagee and shall be final and conclusive, subject to any other specific standard that may be provided for herein.

37. The Mortgagor will, at the sole cost of the Mortgagor, and without expense to the Mortgagee, do, execute acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, deeds of trust, assignments, notices of assignments, transfers and assurances as the Mortgagee shall, from time to time, require for the better assuring, conveying, assigning, transferring and confirming unto the Mortgagee the property and rights hereby conveyed or assigned or intended now or hereafter so to be, or which the Mortgagor may be or may hereafter become bound to convey or assign to the Mortgagee, or for carrying out the intention of facilitating the performance of the terms of the Mortgagee and, on demand, will execute and deliver and hereby authorize the Mortgagee to execute in the name of the Mortgagor to the extent they may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Premises.

38. When the Indebtedness Hereby Secured, or any part thereof, shall become due, whether by acceleration or otherwise, the Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof and in connection therewith:

(a) In any suit or proceeding to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree (or sale, all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title, as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Premises; and

(b) All expenditures and expenses of the nature in this Article mentioned and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage including the fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Premises,

including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by the Mortgagor, with interest thereon at the Default Rate.

39. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Article 38 hereof; second, all other items which, under the terms hereof, constitute Indebtedness Hereby Secured additional to that evidenced by the Note, with interest on such items as herein provided; third, to interest remaining unpaid upon the Note; fourth, to the principal and all other sums and amounts remaining unpaid upon the Note; and lastly, any surplus to the Mortgagor, and its successors or assigns as their rights may appear.

40. No action for the enforcement of the lien or any provision or provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law or upon the Note.

41. It is understood and agreed that the loan evidenced by the Note and secured hereby is a business loan within the purview of Section 6404 of Chapter 17 of Illinois Revised Statutes (or any substitute, amended, or replacement statutes) transacted solely for the purpose of carrying on or acquiring the business of the Mortgagor or, if the Mortgagor is a trustee, for the purpose of carrying on or acquiring the business of the beneficiaries of the Mortgagor as contemplated by said Section.

42. The Mortgagor and the Mortgagee acknowledge and agree that in no event shall the Mortgagee be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of the Mortgagor; and without limiting the foregoing, the Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the Indebtedness Hereby Secured, or otherwise.

43. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in restoring the building on the Premises, as aforesaid, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered

in any such proceedings and the balance, if any, shall be paid as the court may direct; and:

(a) In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the Mortgagee's clause attached to each of the casualty insurance policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said decree creditors, and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statutes in each such case made and provided, then in every such case, each and every successive redepton may cause the preceding loss clause attached to each casualty insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redepton; and

(b) In the event of foreclosure sale, the Mortgagee is hereby authorized, without the consent of the Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as the Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

44. The Mortgagor represents and agrees that the Indebtedness Hereby Secured, represented by the Note represents the proceeds of a loan made and to be made by Mortgagee to Mortgagor pursuant to Commitment dated November 9, 1987 (herein, together with any application for loan referred to therein and any amendment to such Commitment, being collectively, the "Commitment"); and in connection herewith:

(a) The Commitment is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length;



- (b) If the Commitment runs to any person other than the Mortgagor, the Mortgagor hereby adopts and ratifies the Commitment and the application referred to therein as its own act and agreement;
- (c) The Mortgagor hereby covenants and agrees to duly and punctually do and perform and observe all of the terms, provisions, covenants and agreements on its part to be done, performed or observed by the Mortgagor pursuant to the Commitment (and the application forming a part thereof) and further represents that all of the representations and statements of or on behalf of Mortgagor in the Commitment (and the application forming part thereof) and in any documents and certificates delivered pursuant thereto are true and correct.

45. Time is of the essence hereof and of the Note, Assignment and all other instruments delivered in connection with the Indebtedness Hereby Secured.

46. (a) That it shall be an immediate default hereunder if, without the prior consent of the Mortgagee, there shall occur any sale, conveyance, further encumbrance, or other transfer of title to the Premises, or any interest therein or of the beneficial interest in the Mortgagor (whether voluntarily or by operation of law), including, without limitation, (w) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, all or any part of the legal and/or equitable title to the Premises or all or substantially all of the Mortgagor's assets or any part of the beneficial interest in the Mortgagor, (x) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any share of stock of any corporation holding title to the Premises or holding the beneficial interest in the Mortgagor, (y) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any part of any general partnership interest in the Beneficiary, or (z) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, forty-nine (49%) percent, or more, of the partnership interests in the Beneficiary.

(b) Notwithstanding the provisions of subparagraph (a) above, the Mortgagor (or, if applicable, the Beneficiary) shall have the one-time right after June 30, 1989 to transfer

and convey the Premises (or the beneficial interest in the Mortgagor) subject to the lien of this Mortgage provided (i) there shall be no default under this Mortgage, the Note or any other of the Loan Documents, (ii) the proposed transferee (w) shall be a person or entity which shall possess, in the opinion of the Mortgagee, management experience comparable to that of the Beneficiary in the operation and management of properties similar to the Premises or shall employ a managing agent acceptable to the Mortgagee in its sole discretion, (x) shall have a net worth equal to or greater than the net worth of the Beneficiary as determined by the Mortgagee and who or which shall have a satisfactory reputation in the institutional lending community, (y) shall not have been implicated for any offense or is in any way, in the opinion of the Mortgagee, a person or entity with whom or which the Mortgagee would not do business, or (z) executes and delivers a guaranty of payment to the Mortgagee in form and substance satisfactory to the Mortgagee and similar to that certain guaranty of payment dated the date hereof made by the Principals with respect to the replacement of a portion of the roof of the Premises over the premises demised to Blaw Knox, (iii) the Mortgagee shall receive a transfer/consent fee in an amount equal to one (1%) percent of the then outstanding principal balance of the Note, (iv) the Mortgagee shall have received written notice of the Mortgagor's (or the Beneficiary's) intention to transfer and convey the Premises (or the beneficial interest) no less than thirty (30) days prior to the proposed closing date, which notice shall be accompanied by detailed information relating to the proposed transferee and (v) the Mortgagee shall be paid all costs and expenses incurred by the Mortgagee in connection therewith, including without limitation, the Mortgagee's counsel's fees and disbursements. In the event of a transfer pursuant to the foregoing provisions, the Mortgagor, the Beneficiary, and/or the Principals shall be released from those obligations personally undertaken by such parties (which were not subject to the exculpatory provisions) relating to acts or omissions occurring from and after the date of such transfer provided and upon the condition that the transferee (and/or its principals) shall assume all such obligations pursuant to a written agreement(s) delivered to the Mortgagee and in all respects satisfactory to the Mortgagee, and further provided that such transferee (and/or its principals) shall have a net worth equal to or greater than the then net worth of the Beneficiary and the Principals as reasonably determined by the Mortgagee. In addition to the foregoing, provided there shall be no default under this Mortgage, the Note or any other of the Loan Documents, the Beneficiary shall have the right to (i) transfer its beneficial interest in the Mortgagor subject to the lien of this Mortgage to a limited

partnership of which the Principals shall be the sole general partners and shall own and control no less than thirty (30%) percent of the partnership interests therein, (ii) transfer the partnership interest of the Principals among the Principals or to (aa) any one or more of the Principals, as trustee(s), for the benefit of such Principal(s) or his (or their) immediate families, (bb) a third party, as trustee(s), for the benefit of any one or more of the Principals or his (or their) immediate family or (cc) a conservator or a devisee in the event of a testamentary transfer or a transfer pursuant to a court order upon the death, disability, incompetency or bankruptcy of any one of the Principals, provided and upon the condition that following any one of the foregoing transfers described in this clause (ii), (x) at least one of the Principals shall remain a general partner of the Beneficiary and shall own no less than ten (10%) percent of the partnership interests therein and (y) the remaining general partner which shall be a Principal shall have retained, to the satisfaction of the Mortgagee, effective managerial control of the Beneficiary. The provisions of Article 50 of this Mortgage shall not apply to the Mortgagor's rights under this subparagraph (b).

(c) Notwithstanding the provisions of subparagraph (a) above, the Mortgagor may further encumber the Premises (or the beneficiary of any trust referred to in the next to last sentence of Article 46(b) hereinabove may further encumber its beneficial interest in the Mortgagor) by a mortgage (the "Subordinate Mortgage") securing a loan (the "Subordinate Loan") to be obtained by the Mortgagor or the beneficiary provided (i) there shall be no default under this Mortgage, the Note or the documents executed in connection with same, (ii) the annual net operating income from the Premises (which shall equal the aggregate of all rent and additional rent received by the Mortgagor less all costs and expenses incurred by the Mortgagor in respect of the Premises), as reasonably determined by the Mortgagee, shall equal or exceed the aggregate of the annual payments of principal and/or interest due under the loan secured by this Mortgage and the Subordinate Loan (the "Aggregate Debt Service"), (iii) the amount of the Subordinate Loan, when aggregated with the then principal balance of the loan secured by this Mortgage, shall not exceed ninety (90%) percent of the Value of the Property, as determined by the Mortgagee, except as provided below, (iv) the Principals personally guarantee to the holder of the Subordinate Mortgage (A) the debt service on the Subordinate Loan if, and to the extent the Aggregate Debt Service shall exceed ninety and nine-tenths of one (90.9%) percent of the annual net operating income (which shall equal the aggregate of all rent and additional rent received by the Mortgagor less all costs and expenses incurred by the Mortgagor

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in respect of the Premises), as reasonably determined by the Mortgagee and (B) the principal amount of the Subordinate Loan to the extent that the combined sum of the original principal amount of the Note and Subordinate Loan shall exceed eighty-five (85%) percent of the Value of the Property, (v) the Subordinate Mortgage and all documents to be executed and delivered in connection therewith shall be satisfactory in form and substance to the Mortgagee and its counsel and (vi) the Mortgagor and/or the Beneficiary shall pay all costs and expenses incurred by the Mortgagor in connection therewith, including without limitation, the Mortgagee's counsel fees and disbursements. For purposes of this subparagraph c, the Value of the Property shall be mutually determined by the Mortgagee and the Mortgagor, provided, however, if the Mortgagee and the Mortgagor fail to agree for purposes of this subparagraph c, the Value of the Property shall be determined by an appraiser satisfactory to both the Mortgagee and the Mortgagor, or if the Mortgagee and the Mortgagor shall be unable to agree, by an appraiser appointed by the American Arbitration Association (Chicago, Illinois).

(d) The Mortgagee hereby acknowledges and consents to the Mortgagor's encumbering the Premises with a purchase money subordinate mortgage (the "Purchase Money Mortgage") not to exceed the principal amount of \$300,000, given to Blaw Knox Corporation as partial consideration of the purchase price in connection with the acquisition of the Premises; provided, however, such mortgage and the note secured thereby shall be subject and subordinate to the provisions of this Mortgage.

47. (a) That if the Mortgagor receives any notice of (i) the happening of any event involving the use, spill, discharge or cleanup of any hazardous or toxic substance or waste or any oil or pesticide on or about the Premises (a "Hazardous Discharge") or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, noise emissions or any other environmental, health or safety matter affecting the Mortgagor (an "Environmental Complaint") from any person or entity, or any federal, state or local agency, including without limitation, the United States Environmental Protection Agency ("EPA"), then the Mortgagor will give immediate oral and written notice of same to the Mortgagee.

(b) That the Mortgagee may require that the Mortgagor from time to time promptly cause such tests and procedures as the Mortgagee deems appropriate to be conducted both by professionals and otherwise in a manner satisfactory to the Mortgagee, for the purpose of insuring compliance with all environmental laws, rules and regulations and having the Premises certified to the Mortgagee as such. If required

without cause, such tests and procedures shall be commenced promptly after not less than thirty (30) days' notice from the Mortgagee and only up to an aggregate annual cost of Two Thousand Five Hundred (\$2,500.00) Dollars. If required with any cause whatsoever, such tests and procedures shall be commenced immediately upon notice from the Mortgagee and completed with all possible dispatch, without regard to cost or other burden or imposition.

(c) That without limitation of the Mortgagee's rights under this Mortgage, the Mortgagee shall have the right, but not the obligation, to exercise any of its rights and/or remedies available under this Mortgage, at law or equity, including without limitation, Article 18 hereof and in addition thereto and not in lieu thereof, to enter onto the Premises or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any such Hazardous Discharge or Environmental Complaint upon its receipt of any notice from any person or entity, or any federal, state or local agency, including without limitation, the EPA, asserting the happening of a Hazardous Discharge or Environmental Complaint on or pertaining to the Premises which, if true, could result in any order, suit or other action against the Mortgagor and/or any part of the Premises by any governmental agency or otherwise, which, in the sole opinion of the Mortgagee, could jeopardize its security under this Mortgage.

(d) That in addition to the Events of Default set forth in Article 18 of this Mortgage, the occurrence of any of the following events shall constitute an Event of Default under this Mortgage:

(i) if the Mortgagee receives its first notice of a Hazardous Discharge or Environmental Complaint other than from the Mortgagor, and the Mortgagee does not receive a notice (which may be given in any oral or written form, provided same is followed with all due dispatch by written notice given in the manner required by this Mortgage) of such Hazardous Discharge or Environmental Complaint from the Mortgagor within three (3) business days of the time the Mortgagee first receives said notice other than from the Mortgagor, provided that the Mortgagor shall have received notice of such Hazardous Discharge or Environmental Complaint; or

(ii) if the EPA or any other federal, state or local agency files or places a lien upon any or all of the Premises by reason of the occurrence of a Hazardous Discharge or

Environmental Complaint or otherwise and the Mortgagor fails to discharge such lien within forty-five (45) days thereafter; or

(iii) if the EPA or other federal, state or local agency asserts a claim against the Mortgagor, the Premises or the Mortgagee for damages or cleanup costs related to a Hazardous Discharge or Environmental Complaint; provided, however, such claim shall not constitute a default if, within fifteen (15) days of the occurrence giving rise to the claim:

(A) the Mortgagor can prove to the Mortgagee's satisfaction that the Mortgagor has commenced and is diligently pursuing either: (1) cure or correction of the event which constitutes the basis for the claim, and is continuing diligently to pursue such cure or correction to completion, or, (2) proceedings for an injunction, a restraining order or other appropriate emergent relief preventing such agency or agencies from asserting such claim, which relief is granted within ten (10) days of the occurrence giving rise to the claim and the injunction, order or emergent relief is not thereafter dissolved or reversed on appeal; and

(B) in either of the events set forth in clauses (1) or (2) of the preceding subparagraph (A), the Mortgagor has posted a bond, letter of credit or other security satisfactory in form, substance and amount to both the Mortgagee and the agency or entity asserting the claim to secure the proper and complete cure or correction of the event which constitutes the basis for the claim.

(e) That the Mortgagor hereby agrees to defend, indemnify, and hold the Mortgagee harmless from and against any and all claims, losses, liabilities, damages and expenses (including, without limitation, cleanup costs and reasonable attorney's fees and disbursements including, without limitation, those arising by reason of any of the aforesaid or an action against the Mortgagor under this indemnity) arising directly or indirectly from, out of, or by reason of any Hazardous Discharge, Environmental Complaint, or any environmental law governing the Mortgagor, its operations or the Premises. This indemnity shall apply notwithstanding any negligent or other contributory conduct by or on the part of the Mortgagee or any one or more other parties or third parties.

(f)(i) That the Mortgagor has duly complied, and will continue to comply, with the provisions of the federal Occupational Safety and Health Act, as same may be amended from time to time, and all environmental laws governing it, its business and/or the Premises, and all rules and regulations

thereunder and all similar state and local laws, rules and regulations. There are not now any outstanding citations, notices or orders of violation or non-compliance issued to the Mortgagor or relating to its business assets, property or leaseholds under any such laws, rules or regulations, nor any conditions which, if known by the proper authorities, could result in any of the foregoing; and

(ii) That the Mortgagor has, and will continue to have, all necessary federal, state and local licenses, certificates and permits relating to the Mortgagor and the Premises and/or the Mortgagor's facilities, businesses, premises and leaseholds located at or relating to the Premises, and the Mortgagor is in compliance with all applicable federal, state and local laws, rules and regulations relating to air emissions, water discharges, noise emissions, solid or liquid storage and disposal, hazardous or toxic waste or substances and other environmental, health and safety matters at the Premises.

(g) That this Article 47 shall survive the expiration or sooner termination of this Mortgage.

48. (a) That Mortgagor shall repair and/or replace when necessary that portion of the roof of the Premises over the premises demised to B.L. Downey Corporation (the "Downey Roof Replacement"). In order to secure the Mortgagor's obligation to make the Downey Roof Replacement, commencing on January 1, 1988 there shall be due and with each installment Payment thereafter due until such time as the Downey Roof Replacement shall have been completed, as determined in accordance with the provisions of this Article 48, the Mortgagor shall deposit with the Mortgagee an additional amount of \$2,500.00, which amount shall be deposited by the Mortgagee in an interest bearing commercial bank account (said amount, together with interest thereon, collectively, the "Downey Roof Replacement Fund"). Provided there exists no default under this Mortgage, the Note, or any other document executed in connection with same, and further provided the Mortgagor shall have theretofore completed the replacement of a portion of the roof of the Premises over the premises demised to Blaw Knox, in accordance with the provisions of that certain guaranty made of even date herewith by the Principals, upon no less than twenty (20) days' prior written request, the Mortgagee shall reimburse the Mortgagor from the Downey Roof Replacement Fund for expenditures made by the Mortgagor in respect of the Downey Roof Replacement. Disbursements shall be made from the Downey Roof Replacement Fund to the extent that the Mortgagor shall have made expenditures in respect of the Downey Roof Replacement provided the Mortgagee shall receive proof of such expenditures for

completed work satisfactory to the Mortgagee, which proof shall be evidenced by, among other things, properly receipted bills and other supporting documentation as the Mortgagee shall require and such expenditures and the completion of such work shall have been confirmed by the Mortgagee's architect or engineer (whose fees and expenses shall be paid by the Mortgagor). The Mortgagee may, at its option, withhold from each amount to be so advanced from the Downey Roof Replacement Fund, an amount equal to ten (10%) percent of the requested advance, which shall be released by the Mortgagee to the Mortgagor, together with any amount then held in the Downey Roof Replacement Fund, upon completion of the Downey Roof Replacement to the satisfaction of the Mortgagee and the Mortgagee shall have received confirmation thereof from the Mortgagee's architect or engineer and proof furnished to the Mortgagee that no legal liability has attached or will attach to the Premises or any portion thereof in connection with the Downey Roof Replacement.

(b) That all costs and expenses incurred by the Mortgagee in connection with the Downey Roof Replacement shall be paid by the Mortgagor promptly upon demand therefor. In the event of a default under this Mortgage, the Note or other documents executed in connection with same, the Mortgagee shall have the right to apply all or any portion of the Downey Roof Replacement Fund to all sums secured by this Mortgage, as the Mortgagee shall elect in its sole discretion.

49. That simultaneously with the execution hereof, the Mortgagor has deposited with the Mortgagee an amount (which amount, together with interest, the "Deferred Maintenance Deposit") equal to \$288,381.00, which amount represents the aggregate of (i) a portion of the cost to be incurred in connection with the replacement of that portion of the roof of the Premises over the premises demised to Blaw Knox and (ii) all amounts necessary to fully complete and pay for deferred maintenance items (collectively, the "Deferred Maintenance Items") as disclosed in (x) the purchase agreement dated October 28, 1987 between Blaw Knox, as seller, and the Mortgagor, as purchaser, pursuant to which the Mortgagor is acquiring the Premises (including the roof hatches and the sprinkler system referred to therein), (y) the estoppel letters delivered to the Mortgagee from the tenants occupying space in the Premises and (z) that certain violation report dated December 3, 1987 issued by the Building Department of the Village of Broadview in respect of the Premises, all of which Deferred Maintenance Items are more specifically set forth on Schedule C annexed hereto and made a part hereof. The Deferred Maintenance Deposit shall be held by the Mortgagee in an interest bearing commercial bank account and shall be disbursed from time to time, but no more often than monthly and in no less than \$15,000 increments, upon



completion from time to time, to the satisfaction of the Mortgagee, of the Deferred Maintenance Items, provided (x) there shall be no default under this Mortgage, the Note or other documents executed in connection with same, and (y) the Mortgagee shall have received proof of such expenditures satisfactory to the Mortgagee, which proof shall be evidenced by, among other things, properly receipted bills and other supporting documentation and such expenditures shall have been confirmed by the Mortgagee's architect or engineer (whose fees and expenses shall have been paid by the Mortgagor). After the Mortgagor has completed those certain Deferred Maintenance Items disclosed in the estoppel letters delivered to the Mortgagee from the tenants occupying space in the Premises, the Mortgagor may apply the Deferred Maintenance Deposit disbursed pursuant to the terms of this Article 49 toward the cost of all other deferred maintenance items incurred by the Mortgagor with respect to the Premises. In the event the Mortgagor shall fail to complete the Deferred Maintenance Items on or prior to the first anniversary of the date hereof, the Mortgagee shall have the right to either complete the Deferred Maintenance Items with the proceeds of the Deferred Maintenance Deposit then held by the Mortgagee or apply the balance of the Deferred Maintenance Deposit then held by the Mortgagee in reduction of the principal balance of the Indebtedness hereby Secured.

50. That if, at any time the Mortgagor desires to sell the Premises except as provided in Article 46(b) hereof, with the closing to occur on or before the Maturity Date, it shall send a notice (a "Sales Notice") to the Mortgagee setting forth therein the proposed terms of sale, which Sales Notice shall include a copy of the executed contract of sale with respect thereto. Within thirty (30) days after receipt of a Sales Notice, the Mortgagee shall send to the Mortgagor a written notice wherein the Mortgagee elects (i) to purchase the Premises on the same terms contained in such Sales Notice (a "Lender's Acceptance") or (ii) not to purchase the Premises (a "Lender's Rejection"). If the Mortgagee fails to send any notice within such thirty (30) day period, the Mortgagee shall be deemed to have sent a Lender's Rejection. If the Mortgagee sends a Lender's Acceptance, then the Mortgagee and the Mortgagor agree promptly to execute a contract of sale upon the terms contained in the Sales Notice. If the Mortgagee sends a Lender's Rejection, then the Mortgagor may execute a contract of sale with a purchaser on the identical terms contained in such Sales Notice. The closing of such sale must occur within six (6) months from the date such Sales Notice is received by the Mortgagee. If the Mortgagor desires to accept an offer to purchase the Premises or makes an offer to sell the Premises

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which, in either case, is not identical to the terms contained in the Sales Notice (collectively, a "Nonconforming Offer"), then in either of such events the Mortgagee shall be granted an additional right of first refusal to purchase the Premises on the same terms and conditions as set forth in the Nonconforming Offer (as certified by the Mortgagor as true and complete). The Mortgagee shall be afforded a period of ten (10) business days from the date that the Mortgagee receives a certified copy of the Nonconforming Offer to indicate its election to exercise the foregoing right of first refusal and the closing of title to such acquisition shall occur on the later of (x) the last closing date set forth in such Nonconforming Offer or (y) thirty (30) days from the date that the Mortgagee receives a certified copy of such Nonconforming Offer. If the closing of any such sale shall occur on or about the Maturity Date (whether on the terms set forth in the Sales Notice or pursuant to a Nonconforming Offer), the gross purchase price payable by such purchaser or the Mortgagee (including cash and any deferred payments or purchase money financing), as the case may be, less the Mortgagor's ordinary and reasonable expenses of consummating the sale (not to exceed 3% of the gross purchase price) shall be deemed the Value of the Property in connection with the calculation of Additional Contingent Interest (as defined in the Note). The foregoing rights of first refusal may be assigned individually or jointly by the Mortgagee without the consent of the Mortgagor. Nothing herein contained shall be deemed or construed to modify or otherwise affect the provisions of Article 46(a) hereof or paragraph 9(A) of the Note and the foregoing provisions shall be subject to the provisions therein contained. The foregoing provisions shall be equally applicable to the assignment of the Beneficiary's beneficial interest in the Mortgagor. Notwithstanding anything to the contrary hereinabove set forth, if, no less than ten (10) days prior to its receipt of a Sales Notice, the Mortgagee shall receive a notice from the Mortgagor setting forth therein (w) all of the financial terms and conditions of the proposed transfer, (x) a breakdown of all closing costs to be paid by the respective parties thereto, including, without limitation, all transfer taxes, brokerage commissions, title insurance premiums, etc., (y) an interim draft of the proposed contract of sale and (z) an appraisal of the Premises satisfactory to the Mortgagee prepared by an appraiser satisfactory to the Mortgagee, then the Mortgagee shall, within twenty (20) days after receipt of such Sales Notice, send to the Mortgagor a notice wherein the Mortgagee elects a Lender's Acceptance or a Lender's Rejection;

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if the Mortgagee fails to send any notice within such twenty (20) day period, the Mortgagee shall be deemed to have sent a Lender's Rejection with respect thereto.

IN WITNESS WHEREOF, this Mortgage has been duly executed by the Mortgagor as of the date first above written.

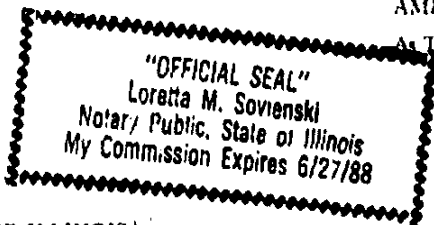
AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but as trustee, as aforesaid

This Mortgage is executed by the American National Bank and Trust Company of Chicago, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said American National Bank and Trust Company of Chicago, hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said note contained shall be construed as creating any liability on the said First Party or on said American National Bank and Trust Company of Chicago 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 Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as the First Party and its successors and said American National Bank and Trust Company of Chicago personally are concerned, the legal holder or holders of said note and the owner or owners of any indebtedness accruing hereunder 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 or by action to enforce the personal liability of the guarantor, if any.

IN WITNESS WHEREOF, AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but as Trustee as aforesaid, has caused these presents to be signed by one of its Vice-Presidents, or Assistant Vice-Presidents, and its corporate seal to be hereunto affixed and attested by its Assistant Secretary, the day and year first above written.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

As Trustee as aforesaid and not personally.



By

*[Handwritten Signature]*  
Vice President

ATTEST

*[Handwritten Signature]*  
Assistant Secretary

STATE OF ILLINOIS }  
COUNTY OF COOK } ss.

**LORETTA M. SOVIENSKI**

I, \_\_\_\_\_ a Notary Public, in and for said County, in the State aforesaid,

DO HEREBY CERTIFY, that **Peter H. Johannes** Vice-President of the AMERICAN NATIONAL BANK

AND TRUST COMPANY OF CHICAGO, and **J. MICHAEL WHELAN** Assistant Secretary of said Company, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice-President and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Company, as Trustee as aforesaid, for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that he, as custodian of the corporate seal of said Company, did affix the corporate seal of said Company to said instrument as his own free and voluntary act and as the free and voluntary act of said Company, as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 19

DEC 17 1987

*[Handwritten Signature]*  
Notary Public

Form 1308

87669498

87669498

86169928

Kathy A. Younkins, Esq.  
Rogers & Wells  
200 Park Avenue  
New York, New York 10166  
(212) 878-8000

THIS INSTRUMENT WAS PREPARED BY

Property of Cook County Clerk's Office

ATTEST:

\_\_\_\_\_

By: \_\_\_\_\_



COOK COUNTY CLERK'S OFFICE  
JAN 10 1998

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Property of Cook County Clerk's Office

I, ~~.....~~ **Peter H. Johans**  
DO HEREBY CERTIFY, that **Peter H. Johans**  
**AND TRUST COMPANY** of Chicago, and **J. MICHAEL WHELAR**  
personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice-President, and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Company, as Trustee as aforesaid, for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that he, as custodian of the corporate seal of said Company, did affix the corporate seal of said Company to said instrument as his own free and voluntary act and as the free and voluntary act of said Company, as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this

DEC 17 1987

A. D. 19

day of

*Janetta M. Szuranski*  
Notary Public

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## SCHEDULE A

1. Assignment of Landlord's Interest in Rents and Leases dated of even date herewith made by the Mortgagor, as assignor, for the benefit of the Mortgagee, as assignee.
2. Uniform Commercial Code Financing Statement (UCC-1) made by the Mortgagor, as debtor for the benefit of the Mortgagee, as secured party.
3. Uniform Commercial Code Financing Statement (UCC-2) made by the Mortgagor, as debtor for the benefit of the Mortgagee, as secured party.
4. Uniform Commercial Code Financing Statement (UCC-2) made by the Beneficiary, as debtor for the benefit of the Mortgagee, as security party.
5. Irrevocable Right to Approve dated of even date herewith made by the Beneficiary for the benefit of the Mortgagee, acknowledged by the Mortgagor.
6. Indemnity Agreement dated of even date herewith between the Beneficiary and the Mortgagee.
7. Additional Contingent Interest Escrow Agreement dated of even date herewith among the Mortgagee, the Mortgagor and Resources Pension Advisory Corp., as agent.
8. Letter Agreement dated of even date herewith between the Mortgagee and the Beneficiary with respect to certain post-closing undertakings of the Beneficiary.
9. Collateral Assignment of Letter of Credit dated of even date herewith made by the Beneficiary for the benefit of the Mortgagee.
10. Guaranty of Payment dated of even date herewith made by the sole general partners of the Beneficiary for the benefit of the Mortgagee.
11. Guaranty of Payment and Performance dated of even date herewith made by the sole general partners of the Beneficiary for the benefit of the Mortgagee.

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## SCHEDULE B

That Part of Lot 16 lying West of West Right of Way Line of Indiana Harbor Belt Railroad Company (except the South 646.07 Feet thereof) in School Trustees' Subdivision of Section 16, Township 39 North, Range 12 East of the Third Principal Meridian.

ALSO

The South 646.07 Feet of that Part of Lot 16 lying West of the West Right of Way Line of Indiana Harbor Belt Railroad Company (except that part taken for Roosevelt Road) in the School Trustees' Subdivision of Section 16, Township 39 North, Range 12 East of the Third Principal Meridian in Cook County, Illinois.

(BROADVIEW)

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## SCHEDULE C

### Deferred Maintenance Items

|  |                |
|--|----------------|
| Asbestos Clean Up                      | \$ 1,500       |
| Tank Removal                           | 1,500          |
| Roof Hatches                           | 37,500         |
| Sprinkler (balance)                    | 40,881         |
| Broadview Violation Report             | 10,000         |
| Blaw Knox Roof Replacement (Roof only) | 34,000         |
| Blaw Knox Closing Deposit              | 60,000         |
| Crown Group Closing Deposit            | <u>103,000</u> |
|  | \$288,381      |

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