

MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT

Loan No. 204731-4

THIS MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT (hereinafter referred to as the "Mortgage") is made as of the 5th day of May, 1988, by AMALGAMATED TRUST AND SAVINGS BANK, not personally but as Trustee under Trust Agreement dated June 21, 1984 and known as Trust No. 4951, whose address is set forth below, as Mortgagor, in favor of THE TRAVELERS INSURANCE COMPANY, a Connecticut corporation, whose address is set forth below, as Mortgagee.

Article 1

TERMS OF THE INDEBTEDNESS

1.1 Certain Terms of Indebtedness: The following is a summary of certain terms of the Indebtedness (as hereinafter defined) secured by this Mortgage:

(a) The Note: That certain Promissory Note (hereinafter referred to as the "Note") of even date herewith made by Mortgagor payable to the order of Mortgagee in the original principal amount of Twenty-One Million Five Hundred Thousand Dollars (\$21,500,000.00).

(b) Interest Rate and Payments: Interest shall accrue under the Note at the rate of Ten Percent (10%) per annum, and installments of interest and of principal outstanding under the Note shall be due and payable in the amounts, at the times and otherwise as provided in the Note.

(c) Maturity Date: All of the unpaid principal balance outstanding under the Note and all unpaid interest accrued thereon shall become due and payable, if not sooner paid or if not sooner due by acceleration, notice of prepayment, or otherwise, on May 31, 1993 (hereinafter referred to as the "Maturity Date").

(d) Prepayment: The Note may be prepaid in full, but not in part, but only as provided in the Note, and subject to the payment of prepayment premiums, as more specifically provided in the Note. Any payment in full of the Note shall include, in addition to the unpaid principal balance outstanding, all interest accrued thereon and any other sums which are secured by the Mortgage and other Loan Documents (as hereinafter defined), including, but not limited to, any expenses incurred by Mortgagee in connection with this Loan or in connection with any prior Event of Default (as hereinafter defined) of Mortgagor under the Note, Mortgage or other Loan Documents.

(e) Definition of the Indebtedness: The term "Indebtedness" shall mean the principal amount and interest payable thereon, and all the fees, including prepayment premiums, amounts, payments, premiums, liabilities and monetary liabilities and obligations due or required to be paid by Mortgagor under the Note, this Mortgage or the other Loan Documents, or under any future advance note, or under any and all amendments, modifications, restatements, replacements, consolidations, substitutions, renewals, extensions and increases to the Note and other Loan Documents, whether heretofore or hereafter existing, and whether direct or indirect, absolute or contingent.

Article 2

DEFINITIONS

2.1. Definitions: The following terms shall have the following meanings (any other capitalized term used herein that is not expressly defined in this Article shall have the meaning defined elsewhere in this Mortgage or in the other Loan Documents):

(a) Affiliated Person: (i) if Mortgagor is a trustee, any beneficiary of the trust, including the general partners of any general or limited partnership that is a beneficiary of the trust, and any joint venture partners of any joint venture that is the beneficiary of the trust, and any persons or entities holding the controlling shareholder interests in any corporation that is the beneficiary of the trust; (ii) if Mortgagor is a general or limited

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partnership, the general partners thereof; (iii) if Mortgagor is a joint venture, the joint venture partners thereof; and (iv) if Mortgagor is a corporation, the persons or entities holding the controlling shareholder interests therein.

(b) Awards: All awards and payments heretofore or hereafter made by any municipal, state or federal agency or authority to Mortgagor, including any awards or payments for any taking of the Mortgaged Property as a result of the exercise of the right of condemnation or eminent domain and any and all proceeds and payments heretofore or hereafter made by any insurance company as a result of any *casualty* or other event in connection with the Mortgaged Property.

(c) Beneficiary: The presently existing beneficiary of Mortgagor, and any and all successors and assigns.

(d) Buildings: The retail strip shopping center commonly known as The Landings Shopping Center, but only to the extent located on the Real Estate (as defined below), located in Lansing, Cook County, Illinois, and any and all buildings, structures, parking areas and improvements, and any and all additions, alterations, betterments or appurtenances thereto, now or at any time hereafter situated, placed or constructed upon the Real Estate or any part thereof.

(e) Commitment: That certain Statement of Mortgage Loan Application and Commitment Terms and Conditions dated October 9, 1987, from Beneficiary to Mortgagee, as amended by letter amendments dated November 30, 1987, December 8, 1987 and December 14, 1987, and accepted by Mortgagee on February 24, 1988, as amended by that certain letter amendment dated March 14, 1988 by and between Beneficiary and Mortgagee, as further amended by that certain letter amendment dated April 25, 1988 by and between Beneficiary and Mortgagee, the terms and conditions of which shall survive disbursement of the loan secured hereby.

(f) Contracts: Any and all contracts, documents or agreements pertaining to the ownership, use, occupancy, development, design, construction, financing, operation, management, alteration, repair, marketing, sale, lease or enjoyment of the Mortgaged Property, and all rights, privileges, authority and benefits thereunder (but under no circumstances any liabilities, obligations or responsibilities thereunder).

(g) Intentionally Omitted.

(h) Default Rate: The lesser of: (i) the interest rate of Four Percent (4%) per annum in excess of the rate of interest otherwise applicable under the Note at any time, or (ii) the highest rate allowed to be charged or collected under applicable law.

(i) Event of Default: The occurrences defined in Article 2 of this Mortgage.

(j) Fixtures: All fixtures, as defined in and subject to the Uniform Commercial Code, located on the Real Estate including, without limitation, all systems, fittings, structures, equipment, apparatus, fixtures and other improvements and items now or hereafter temporarily or permanently attached to, installed in or used in connection with any of the Buildings or the Real Estate, including, but not limited to, any and all partitions, hardware, motors, engines, boilers, furnaces, pipes, plumbing, conduit, sprinkler systems, fire extinguishing equipment, elevator equipment, telephone and other communications equipment, security equipment, master antennas and cable television equipment, water tanks, heating, ventilating, air conditioning and refrigeration equipment, laundry facilities, and incinerating, gas and electric machinery and equipment.

(k) General Partner: The presently existing sole general partner of Beneficiary, and any and all successors and assigns.

(l) Governmental Authority: Any and all courts, boards, agencies, commissions, offices or other authorities of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city or otherwise) or arbitration authority, whether now or hereafter in existence.

(m) Ground Leases: (i) That certain Ground Lease dated August 18, 1986 between Mortgagor, as landlord, and Burger King Corporation, a Florida corporation, as tenant, as amended on March 30, 1987, May 22, 1987 and June 12, 1987; and (ii) that certain Ground Lease dated January 21, 1988, between Mortgagor, as landlord, and Bond Drug Company of Illinois, as tenant.

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(n) Hazardous Material: (i) Any asbestos or insulation or other material composed of or containing asbestos; or (ii) any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation and Liability Act, any so called "superfund" or "superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decrease regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, now or at any time hereafter in effect.

(o) Impositions: All (i) general and special real estate and personal property taxes and other land taxes and assessments, water and sewer rates and charges, and all other governmental charges and any interest or costs or penalties with respect thereto, (ii) charges for any easement or agreement maintained for the benefit of the Mortgaged Property which at any time prior to or after the execution of the Loan Documents may be assessed, levied or imposed upon the Mortgaged Property or the rent or income received therefrom or any use or occupancy thereof, (iii) other taxes, assessments, fees and governmental charges levied, imposed or assessed upon or against Mortgagor in connection with the Mortgaged Property, and (iv) annual premiums for insurance policies required to be maintained under this Mortgage.

(p) Leases: Any and all leases, subleases, licenses, concessions or grants of other possessory interests (written or oral) now or hereafter in force, covering or affecting the Mortgaged Property, or any part thereof or interest therein, together with all rights, powers, privileges, options and other benefits of Mortgagor thereunder (but under no circumstances any liabilities, obligations or responsibilities thereunder).

(q) Legal Requirements: The terms, covenants, conditions and restrictions now or hereafter existing to which Mortgagor, Beneficiary or any other Affiliated Person may be bound or to which the Mortgaged Property is subject under (i) any and all present and future statutes, laws, rulings, opinions, rules, regulations, codes, permits, certificates, approvals, ordinances, judicial decisions or orders of any Governmental Authority in any way applicable to Mortgagor, Beneficiary or any other Affiliated Person or the Mortgaged Property, and the ownership, use, occupancy, possession, development, design, construction, financing, operation, maintenance, alteration, repair, marketing, sale, lease or enjoyment thereof, including, without limitation, any related to zoning, building, utility service, sewer service, fire safety, land and water use, subdivision control, condominium property, environmental protection, occupational health and safety or flood hazard; (ii) Mortgagor's, Beneficiary's or any other Affiliated Person's presently or subsequently effective corporate resolutions, by-laws, articles of incorporation, partnership agreement, limited partnership agreement, joint venture agreement, limited partnership agreement, joint venture agreement or trust agreement, or other form of business association; and (iii) any and all other easements, covenants, conditions and restrictions to which Mortgagor, Beneficiary or any other Affiliated Person may be bound and which pertain to the Mortgaged Property, or to which the Mortgaged Property may be subject.

(r) Loan Documents: The Commitment, this Mortgage, the Note, the Security Agreement, and the Assignment of Leases, Rents and Profits, all of even date herewith, and any and all other documents now or hereafter evidencing or securing the payment of the Indebtedness or the observance or performance of the Obligations, and any and all amendments, modifications, restatements, replacements, substitutions, renewals, extensions and increases thereto whether heretofore or hereafter entered into in connection with the Indebtedness.

(s) Mortgaged Property: The Real Estate, Buildings, Fixtures, Leases, Contracts, Rents, Awards and Personalty together with:

(i) any and all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances of the Real Estate and/or the Buildings belonging or in anyway appertaining thereto, and all right, title and interest of Mortgagor in and to any streets, ways, strips or gores of land adjoining the Real Estate or any part thereof; and

(ii) any and all betterments, additions, appurtenances, substitutions, replacements and after acquired title or interests thereof and all reversions and remainders therein; and

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(iii) any and all other security and collateral of any nature whatsoever, now or hereafter given for the repayment of the Indebtedness or the performance and discharge of the Obligations.

(t) Mortgagee: The above named Mortgagee and any and all successors, transferees, assignees and subsequent holders of the Note or other Loan Documents.

(u) Mortgagee's Address: 2215 York Road, Suite 504, Oak Brook, Illinois, 60521, Attention: Regional Counsel.

(v) Mortgagor: The above named Mortgagor and any and all successors, transferees, assignees and subsequent owners of the Mortgaged Property.

(w) Mortgagor's Address: One West Monroe Street, Chicago, Illinois 60603.

(x) Obligations: Any and all of the covenants, conditions, warranties, representations and other obligations (other than the obligation to repay the Indebtedness) of Mortgagor or others to Mortgagee under or as set forth in the Note, this Mortgage or the other Loan Documents and under the Legal Requirements.

(y) Operating Agreement: That certain Declaration of Reciprocal Easements and Operating Covenants dated July 31, 1985 by and between Mortgagor and Beneficiary, recorded in the office of the Recorders of Deeds of Cook County, Illinois as Document No. 85,149,087, as amended by First Amendment to said Declaration, recorded December 18, 1985 as Document No. 85,329,731, and as further amended by Second Amendment to said Declaration, recorded March 11, 1988 as Document No. 88,103,519, as supplemented by Assumption Agreement dated September 26, 1985 by Toys "R" Us, Inc. and recorded on October 2, 1985 as Document No. 85,216,669, as further supplemented by Assumption Agreement dated October 7, 1985 by Homeowners Warehouse, Inc. and recorded on October 15, 1985 as Document No. 85,235,392, as further supplemented by Assumption Agreement dated October 7, 1985 by Service Merchandise Company, Inc. and recorded on October 15, 1985 as Document No. 85,235,396, as further supplemented by Assumption Agreement dated August 13, 1985 by American National Bank and Trust Company of Chicago, as Trustee under Trust No. 65120, and recorded on August 16, 1985 as Document No. 85,149,097, as further supplemented by Assumption Agreement dated August 13, 1985 by Highland Superstores, Inc. and recorded on August 16, 1985 as Document No. 85,149,098.

(z) Permitted Subordinate Financing: Defined in Paragraph 7.26 hereof.

(aa) Permitted Exceptions: The encumbrances and title exceptions specifically described in Exhibit B attached hereto and made a part hereof.

(bb) Personalty: All right, title and interest of Mortgagor in and to all furniture, furnishings, equipment, machinery, goods, inventory and all other tangible personal property and any intangibles of any kind or character as defined in and subject to the provisions of the Uniform Commercial Code now or hereafter located upon, within or about the Real Estate and the Buildings, or used or useful in connection therewith, together with all existing or future accessories, replacements and substitutions thereto or therefor and the proceeds therefrom, including, but not limited to: (i) all furniture, furnishings and equipment furnished by Mortgagor to tenants of the Real Estate or the Buildings; (ii) all building materials and equipment intended to be incorporated in the improvements now or hereafter to be constructed on the Real Estate, whether or not yet incorporated in such improvements; (iii) all machinery, apparatus, systems, equipment or articles used in supplying heating, gas, electricity, ventilation, air conditioning, water, light, power, refrigeration, fire protection, elevator service, telephone and other communication service, master antennas and cable television service, waste removal and all fire sprinklers, smoke detectors, alarm systems, security systems, electronic monitoring equipment and devices; (iv) all window or structural cleaning and maintenance equipment; (v) all indoor and outdoor furniture, including tables, chairs, planters, desks, sofas, shelves, lockers, cabinets, wall safes and other furnishings; (vi) all rugs, carpets and other floor coverings, draperies, drapery rods and brackets, awnings, window shades, venetian blinds and curtains; (vii) all lamps, chandeliers and other lighting fixtures; (viii) all recreational equipment and materials; (ix) all office furniture, equipment and supplies; (x) all kitchen equipment and appliances, including refrigerators, ovens, dishwashers, range hoods and exhaust systems and disposal units; (xi) all laundry equipment, including washers and dryers; (xii) all tractors, mowers, sweepers, snow removal equipment and other equipment used in maintenance of interior and exterior

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portions of the Real Estate; and (xiii) all other maintenance supplies and inventories; provided, that the enumeration of any specific articles of personalty set forth above shall in no way exclude or be held to exclude any items or property not specifically enumerated, and that any of the foregoing items that do not constitute personal property but constitute fixtures under applicable law shall be included in the definition of the term "Fixtures" as used herein; provided, however, any such items of property which are owned by tenants and which according to the terms of the applicable Leases may be removed by such tenants at the expiration or termination of the applicable Leases are hereby excluded from the foregoing definition of Personalty.

(cc) Real Estate: The real estate owned in fee simple by Mortgagor located at the northeast corner of Torrence Avenue (Route 83) and 170th Street, Lansing, Cook County, Illinois and legally described on Exhibit A attached hereto and made a part hereof.

(dd) Rents: All of the rents, revenues, income, profits, deposits and other benefits payable under the Leases and/or otherwise arising from or out of the Mortgaged Property or out of the ownership, use, enjoyment or disposition of all or any portion of the Mortgaged Property or part thereof or interest therein.

Article 3

GRANT

3.1 Grant. To secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations, Mortgagor by these presents hereby Grants, Bargains, Sells, Assigns, Mortgages and Conveys unto Mortgagee the Mortgaged Property, subject to, but only to, the Permitted Exceptions, to have and to hold the Mortgaged Property unto Mortgagee, its successors and assigns forever, and Beneficiary, by directing Mortgagor to execute and deliver this Mortgage, does hereby warrant that Mortgagor is well and lawfully seized of good, absolute and indefeasible fee simple absolute title to the Mortgaged Property, free and clear of all mortgages, liens, charges, security interests and encumbrances whatsoever, except only the Permitted Exceptions, and does hereby bind itself, its successors and assigns to warrant and forever defend fee simple absolute title to the Mortgaged Property unto Mortgagee, and the quiet and peaceful enjoyment and possession thereof, against every person whomsoever claiming the same or any part thereof or interest therein.

3.2 Condition of Grant: The condition of these presents is such that if Mortgagor shall pay or cause to be paid the Indebtedness as and when the same shall become due and payable and shall observe, perform and discharge the Obligations in accordance with this Mortgage and the other Loan Documents, then this Mortgage and the other Loan Documents and the estates and rights granted by them shall be released and terminated by Mortgagee.

Article 4

ASSIGNMENT OF LEASES

4.1 Assignment of Rents, Leases and Profits: To further secure the full and timely payment of Indebtedness and the full and timely performance and discharge of the Obligations, Mortgagor hereby sells, assigns and transfers unto Mortgagee all of the Leases and the Rents now due and which may hereafter become due under or by virtue of any of the Leases which may have been heretofore or may be hereafter made or agreed to by Mortgagor, or the agents of Mortgagor, or which may be made or agreed to by Mortgagee under the powers herein granted, it being the intention hereby to establish an absolute and present transfer and assignment of all such Leases, Rents and all avails thereunder, to Mortgagee; provided, however, the acceptance by Mortgagee of the foregoing assignment, with all of the rights, powers, privileges and authority so created, shall not, prior to entry upon and taking possession of the Mortgaged Property by Mortgagee, be deemed or construed to constitute Mortgagee a "Mortgagee in Possession," nor thereafter or at any time or in any event obligate Mortgagee to appear in or defend any action or proceeding related to the Leases or to the Mortgaged Property, to take any actions thereunder, to expend any money, incur any expenses, or perform or discharge any obligation, duty or liability under the Leases, or to assume any obligation or responsibility for any security deposits or other deposits delivered to Mortgagor by any

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lessee thereunder. Reference is hereby made to that certain Assignment of Leases, Rents and Profits of even date herewith, executed by Mortgagor to Mortgagee, which sets forth in more detail the terms and conditions of said assignment and the rights, remedies, powers and authority vested in Mortgagee by virtue of said assignment, which terms, conditions, rights, remedies, powers and authority are herein incorporated by this reference. Neither Mortgagor nor Beneficiary shall have the right to terminate or enter into new leases with respect to the Mortgaged Property without giving Mortgagee prior written notice thereof and obtaining Mortgagee's prior written consent in connection therewith, except under certain circumstances expressly provided for in said Assignment of Leases, Rents and Profits.

Article 5

SECURITY AGREEMENT

5.1 Security Interest: This Mortgage shall be construed as a mortgage on real property and it shall also constitute and serve as a "Security Agreement" on personal property within the meaning of, and shall constitute, until the grant of this Mortgage shall terminate as provided in paragraph 3.2 above, a security interest under the Uniform Commercial Code with respect to the Personalty, Fixtures, Leases and Rents. To this end, Mortgagor does Grant, Bargain, Convey, Assign, Transfer and Set Over unto Mortgagee a security interest in and to any and all of Mortgagor's right, title and interest in, to and under the Personalty, Fixtures, Leases and Rents (hereinafter referred to as the "Collateral") to secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations. Reference is hereby made to that certain Security Agreement of even date herewith between Beneficiary and Mortgagee, which sets forth in more detail the terms and conditions of said Security Agreement and the rights, remedies, powers and authority vested in Mortgagee by virtue of said Security Agreement, which terms, conditions, rights, remedies, powers and authority are herein incorporated by reference.

5.2 Financing Statement: This Mortgage is intended to be a financing statement within the purview of the Uniform Commercial Code with respect to the Personalty and Fixtures. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are as set forth herein. This Mortgage is to be filed for record in the real estate records of the county where the Real Estate is located. Mortgagor is the record owner of the Real Estate. Notwithstanding the foregoing, Mortgagor and Beneficiary hereby agree with Mortgagee to execute and deliver to Mortgagee, in form, scope and substance satisfactory to Mortgagee, any renewals or extensions of said Security Agreement or Financing Statements and such additional Security Agreements or Financing Statements and such further assurances as Mortgagee may, from time to time, consider necessary to create, perfect and preserve Mortgagee's security interest herein granted, and Mortgagee may cause such statements and assurances to be recorded and filed at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest.

Article 6

REPRESENTATIONS AND WARRANTIES

Mortgagor hereby represents and Beneficiary, by directing Mortgagor to execute and deliver this Mortgage, represents and warrants to Mortgagee as of the date hereof and as of all dates hereafter that, provided, however, said direction is not intended to create any personal liability of Beneficiary except to the extent provided in the exceptions to the non-recourse provisions appearing in paragraph 5(a) of the Commitment:

6.1 Organization, Authority, etc. Mortgagor, Beneficiary and any other Affiliated Person, to the extent applicable: (a) are duly organized, validly existing and in good standing under the laws of the State of Illinois; (b) have the right and authority to own their properties and to carry on their businesses as now being conducted; (c) are qualified to do business in every jurisdiction in which the nature of their businesses or properties makes such qualification necessary; and (d) are in compliance with all laws, regulations, ordinances and orders of public authorities applicable to them.

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6.2 Validity of Loan Documents. (a) The execution, delivery and performance by Mortgagor, Beneficiary and any other Affiliated Person, as the case may be, of the Loan Documents, and the borrowing evidenced by the Note: (i) are within the powers of Mortgagor, Beneficiary and any other Affiliated Person; (ii) have been duly authorized by all requisite partnership, corporate or trust action; (iii) have received all necessary governmental approval; (iv) will not violate any of the Legal Requirements; and (b) the Note and the Loan Documents, when executed and delivered by Mortgagor, Beneficiary, and any other Affiliated Person, as the case may be, will constitute the legal, valid and binding obligations of Mortgagor, Beneficiary and any other Affiliated Person named therein in accordance with their respective terms.

6.3 Permits and Approvals. All permits, certificates, approvals and licenses required for or in connection with the ownership, use, occupancy or enjoyment of the Mortgaged Property, or in connection with the organization, existence and conduct of the businesses of Mortgagor, Beneficiary or any other Affiliated Person, have been duly and validly issued and are and shall at all times hereafter be in full force and effect.

6.4 Zoning. The Mortgaged Property is duly and validly zoned as to permit the current use, occupancy and operation of the Mortgaged Property and such zoning is final and unconditional and in full force and effect, and no attacks are pending or threatened with respect thereto. The Mortgaged Property complies and will comply with the requirements, standards and limitations set forth in the applicable zoning ordinance and other applicable ordinances in all particulars, including, but not limited to, bulk, density, height, character, dimension, location and parking restrictions or provisions.

6.5 Utilities. All utility services necessary and sufficient for the full use, occupancy and operation of the Mortgaged Property are available to and currently servicing the Mortgaged Property without the necessity of any off-site improvements or further connection costs.

6.6 Access. All streets, highways and waterways necessary for access to and full use, occupancy and operation of the Mortgaged Property have been completed and are open and available to the Mortgaged Property without further condition or cost to Mortgagor.

6.7 Condition of Mortgaged Property. The Buildings are in high quality physical order, repair and condition, are structurally sound and wind and water tight, and all plumbing, electrical, heating, ventilation, air conditioning, elevator and other mechanical systems and equipment are in good operating order, repair and condition.

6.8 Financial and Other Information. Neither this Mortgage nor any other document or statement furnished to Mortgagee by Mortgagor, Beneficiary or any other Affiliated Person or any other person contains or will contain any untrue statement of fact or omits or will omit to state a fact material to the submitted document or to the Mortgaged Property.

6.9 Other Information. All other information, reports, papers and data given to Mortgagee with respect to Mortgagor, Beneficiary or any other Affiliated Person or others obligated under the terms of the Loan Documents are accurate, correct and complete in all material respects.

6.10 No Brokerage Commissions. No brokerage fees or commissions are payable in connection with the loan to be disbursed by Mortgagee hereunder, except for brokerage fees payable to Pearce, Urstadt, Mayer & Greer and American Realty & Financial, Inc., which fees shall be paid in full by Mortgagor prior to or simultaneous with the closing of the loan secured hereby.

6.11 Other Agreements. (a) Mortgagor has heretofore given or caused to be given or shall hereafter give or cause to be given to Mortgagee true and correct copies (accompanied in each case by all related agreements and documents) of the partnership, corporate or trust agreements or articles or by-laws pursuant to which Mortgagor, Beneficiary and any other Affiliated Person was formed and any amendments thereto; (b) such instruments (i) have been duly executed and delivered by the respective parties thereto, (ii) have not been amended, modified, or assigned (except as specified therein), (iii) are in full force and effect and (iv) are legal, valid and binding obligations of the respective parties thereto in accordance with their respective terms; (c) neither Mortgagor, Beneficiary nor any other Affiliated Person is a party to any agreement or instrument adversely affecting its respective present or proposed business, properties or assets, operation or

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condition, financial or otherwise; and (d) neither Mortgagor, Beneficiary nor any other Affiliated Person is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions set forth in any agreement or instrument to which it respectively is a party or to which the Mortgaged Property is subject.

6.12 Taxes. Mortgagor has filed all federal, state, county and municipal income tax returns required to have been filed by it and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments received by it, and Mortgagor does not know of any basis for additional assessment with respect to such taxes.

6.13 Litigation. There is not now pending against or affecting Mortgagor, Beneficiary or any other Affiliated Person or the Mortgaged Property nor, to the knowledge of Mortgagor, is there threatened any action, suit or proceeding at law or in equity or by or before any administrative agency which if adversely determined would materially impair or affect the financial condition or operation of Mortgagor, Beneficiary or any other Affiliated Person or the Mortgaged Property.

6.14 No Violation of Legal Requirements. Neither the contemplated use, occupancy, operation or disposition of the Mortgaged Property, nor the organization, existence and conduct of the business of Mortgagor, Beneficiary, the General Partner or any other Affiliated Person, violates or will then violate any Legal Requirements to which the Mortgagor, Beneficiary, the General Partner or any other Affiliated Person may be bound or to which the Mortgaged Property may be subject. Mortgagor shall promptly notify Mortgagee, in writing, of its receipt of any notice of a violation of any Legal Requirements. Mortgagor hereby agrees to indemnify and hold Mortgagee harmless from all loss, cost, damage, claim and expense incurred by Mortgagee on account of Mortgagor's failure to perform the obligations of this subparagraph.

6.15 Survival of Representations and Warranties. Each and all of the representations and warranties contained herein shall survive the execution and delivery of the Loan Documents and the consummation of the loan called for therein, and shall continue in full force and effect until the Obligations and the Indebtedness shall have been satisfied and paid in full.

Article 7

COVENANTS

Until the entire Indebtedness shall have been paid in full, Mortgagor hereby unconditionally covenants and agrees as follows:

7.1 Payment and Performance. Mortgagor shall pay or cause to be paid the Indebtedness, as and when all or any payment thereunder is due under the Note, this Mortgage or the Loan Documents, and shall perform or cause to be performed all of the Obligations in full on or before the dates the Obligations or any part thereof are required to be performed, and shall commit or suffer no act or event which (upon notice or the passage of time, or both) would constitute a default or Event of Default under the Loan Documents or the Legal Requirements.

7.2 Compliance with Laws. Mortgagor will promptly and faithfully comply with all present and future laws, ordinances, rules, regulations and requirements, and all other Legal Requirements, including, without limitation, applicable zoning, building, land use, occupational health and safety, hazardous waste and substances, and environmental requirements, of every Governmental Authority and of every Board of Fire Underwriters having jurisdiction, or similar body exercising similar functions, which may be applicable to it or to the Mortgaged Property, or any part thereof, or to the use, occupancy, possession, operation, maintenance, alteration, repair, reconstruction or disposition of the Mortgaged Property, or any part thereof or interest therein. Mortgagor shall immediately notify Mortgagee, orally and in writing, of its receipt of any notice of a violation of any Legal Requirements. Mortgagor shall pay to Mortgagee, upon demand, all losses, costs, damages, claims and expenses incurred by Mortgagee on account of Mortgagor's failure to perform the obligations of this paragraph.

7.3 Payment of Impositions. Mortgagor will duly pay and discharge, or cause to be paid and discharged, the Impositions, such Impositions or installments thereof to be paid not later than the day any fine, penalty, interest or cost may be added thereto or imposed by law for the non-payment thereof.

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7.4 Maintenance and Repair. Mortgagor shall (i) constantly maintain the Mortgaged Property in high quality and first-class condition and make all repairs and *replacements thereof and additions and improvements thereto* as are necessary or appropriate under sound management practices, or as Mortgagee shall require, (ii) prevent any act or thing which might impair or diminish the value or usefulness of the Mortgaged Property (including landscaped and recreation areas), or the on-site paved *parking area and/or structures located on the Mortgaged Property*, during the term of the loan secured hereby, and (iii) not erect any new structures of any kind or additions to existing Buildings on the Mortgaged Property, without in each instance the prior written consent of Mortgagee; provided, however, the prior written consent of Mortgagee shall not be required for the construction of the Improvements by tenants under the Ground Leases unless Mortgagor's consent is required under the Ground Leases with respect thereto. Mortgagor covenants and agrees to establish and maintain such cash reserves and segregated accounts for deferred maintenance or improvements as are necessary or appropriate under sound management practices.

7.5 Management, Leasing and Operation. Mortgagor shall at all times provide competent and responsible management for the Mortgaged Property, with individuals devoting such time and attention as is necessary and appropriate to manage and maintain the Mortgaged Property as a high quality shopping center. Mortgagor shall employ management and leasing agents approved by Mortgagee and the terms and conditions of any management, leasing or other commission agreement or any change or replacement of any such agent or agreement shall, at Mortgagee's option, be subject to approval by Mortgagee. Mortgagor covenants and agrees to hold all security deposits collected under any and all of the Leases in a segregated account. Mortgagor further covenants and agrees that all Rents generated by or derived from the Mortgaged Property shall be utilized solely for expenses directly attributable to the Mortgaged Property, including Mortgagor's liabilities and obligations with respect to the *indebtedness and the Impositions*, so that all of the foregoing are paid in full on or before the dates when due, and so that no accounts payable with respect to the Mortgaged Property shall be allowed to remain unpaid for more than thirty (30) days, and none of the Rents generated by or derived from the Mortgaged Property shall be diverted by Mortgagor and utilized for any other purposes unless the foregoing covenants and conditions have been fully satisfied. Upon full satisfaction of the foregoing covenants and conditions, Mortgagor may utilize any surplus Rents.

7.6 Insurance. Mortgagor shall procure for, deliver to and maintain for the benefit of Mortgagee during the term of this Mortgage, all insurance required by Mortgagee including, without limitation, Prepaid All Risk Property insurance policies (or where appropriate "Builder's Risk" All Risk Policies) covering the Buildings and the Personality, including replacement cost coverage and inflation adjustment endorsements, comprehensive general liability policies and such other insurance policies as Mortgagee shall require, including, without limitation, malicious mischief, flood, rental or business interruption coverages; *all such policies shall be for the full insurable value or other limits and to have the coverages and to insure the risks (without deduction for depreciation or obsolescence) specified in Exhibit C attached to the Commitment.* If a blanket policy is issued, a certified copy of said policy shall be furnished together with a certificate indicating that Mortgagee is the insured under said policy in the proper designated amount. If any portion of any of the insured risks are reinsured, the policies shall contain a "cut-through" endorsement.

All insurance policies required hereby shall be issued by companies, on forms and with deductibles all of which are acceptable to Mortgagee, and shall recite Mortgagee's interest as Mortgagee in standard non-contributory mortgagee clauses effective as of initial funding of the loan secured hereby, or shall name Mortgagee as an additional insured, shall be maintained throughout the term of the loan secured hereby without cost to Mortgagee, shall be deposited with Mortgagee, and shall contain such provisions as Mortgagee deems necessary or desirable to protect its interest, including, without limitation, a provision for thirty (30) days prior written notice to Mortgagee of cancellation of or any change in the risk or coverages insured.

If any such policy or part thereof shall (i) expire or be withdrawn; or (ii) become void or subject to cancellation by reason of the breach of any condition thereof; or (iii) become void by reason of the failure or impairment of the capital of any company in which the insurance shall be carried; or (iv) for any reason whatsoever become unsatisfactory to Mortgagee, Mortgagee may procure such insurance as it deems necessary to protect its sole interest; provided, however, if Mortgagee is not satisfied with the insurance pursuant to subparagraph (iv) immediately above, Mortgagee shall first give Mortgagor written notice thereof and Mortgagor shall then have twenty (20)

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days thereafter to satisfy Mortgagee with respect to said insurance. Mortgagor will promptly upon demand pay directly to or reimburse Mortgagee for all premiums and other costs incurred in procuring such insurance. Mortgagor shall deliver to Mortgagee the policies evidencing such insurance and any additional insurance which shall be taken out upon the Mortgaged Property, and receipts evidencing the payment of all premiums and renewals of all such policies of insurance shall be delivered to Mortgagee at least thirty (30) days before any such insurance shall expire, together with receipts evidencing the payment of such renewals. In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment in whole or in part of the Indebtedness, all right, title and interest of Mortgagor in and to such policies then in force concerning the Mortgaged Property, and all proceeds payable thereunder, shall thereupon vest in the purchaser at such foreclosure or in Mortgagee in the event of such transfer.

7.7 Adjustment of Losses with Insurer and Application of Proceeds of Insurance. Mortgagor hereby assigns to Mortgagee all proceeds from any insurance policies pertaining to the Mortgaged Property, and Mortgagee is hereby authorized and empowered, at its option, to make or file proofs of loss or damage and to adjust or compromise any loss, and to collect and receive the proceeds from any such policies. However, Mortgagee shall not be held responsible for any failure to collect any insurance proceeds regardless of the cause of failure. In the event the Mortgaged Property or any part thereof covered by such insurance is destroyed or damaged by fire, explosion, windstorm, hail or by any other casualty against which insurance shall have been required hereunder, then Mortgagee shall have the right, at its option, subject to the terms of the Operating Agreement, and subject to the terms of the Ground Leases, except if the tenants under the Ground Leases agree to subordinate their interests thereunder or are subordinate to the lien of this Mortgage, after deducting from said insurance proceeds all of its expenses incurred in the collection and administration of such sums, to apply the net insurance proceeds of any such policies to the payment of Indebtedness (whether then matured or to mature in the future), either in whole or in part (in such order as Mortgagee shall in its sole discretion deem proper), or to Mortgagor, on such terms as Mortgagee may specify, to be used for the sole purpose of altering, restoring or rebuilding all or any part of the Mortgaged Property which may have been altered, damaged or destroyed as a result of any of the insured perils, subject to paragraph 7.8 below. If Mortgagee does elect to apply such insurance proceeds in payment or reduction of the Indebtedness secured hereby, whether due or not, and if the same are insufficient to pay such amount in full, then Mortgagee shall have the right and option to declare the entire balance of the Indebtedness remaining unpaid to be immediately due and payable.

7.8 Application of Insurance Proceeds to Repair. In the event of any insured loss, Mortgagor shall give immediate written and oral notice thereof to Mortgagee and to the insurer. Provided that no Event of Default hereunder or under any of the other Loan Documents is then existing, or no event has occurred which, with the giving of notice or the passage of time, or both, may ripen into an Event of Default hereunder or under the other Loan Documents, and provided Mortgagee has elected pursuant to paragraph 7.7 above to have the Mortgaged Property repaired, then any such proceeds held by Mortgagee for repairs or replacements shall be held by Mortgagee or, if Mortgagee elects, in its sole discretion, with a title insurance company or escrow agent designated by Mortgagee, upon such terms and conditions as Mortgagee may specify, without payment or allowance of interest thereon, and shall be paid out from time to time to Mortgagor (or, at the option of Mortgagee, jointly to Mortgagor and the persons furnishing labor and/or material incident to such alteration, restoration, repair or replacement or directly to such persons as the work progresses), upon such terms and conditions as Mortgagee may specify. As a condition precedent to the initial disbursement Mortgagor shall be required to simultaneously deposit with Mortgagee the amount, if any, which, when added to the net available insurance proceeds, is necessary and sufficient in Mortgagee's judgment to complete such alteration, restoration, repairs, rebuilding or other purposes as required by Mortgagee. If, upon completion of the work, any portion of the insurance proceeds has not been disbursed to Mortgagor (or one or more of the other aforesaid persons) incident thereto, Mortgagee may, at Mortgagee's option, disburse such balance to Mortgagor or apply such balance toward the payment of the Indebtedness. In the event of an Event of Default hereunder, Mortgagee shall have the right, at its option, to apply the whole or any part of such insurance proceeds toward any of the Indebtedness, in such order and manner as Mortgagee may elect.

7.9 Condemnation Proceeds. Subject to the terms of the Operating Agreement, and subject to the terms of the Ground Leases, except if the tenants under the Ground Leases agree to subordinate their interests thereunder or are subordinate to the lien of this Mortgage, all Awards shall be paid to Mortgagee and, after deducting from said Awards all of its expenses in the collection and administration of said sums, Mortgagee

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shall have the right, at its option, to apply the net proceeds in payment of the Indebtedness (whether then matured or to mature in the future), either in whole or in part (in such order as Mortgagee shall deem proper), or to require the Mortgaged Property so affected by such condemnation to be repaired or restored by the use of such proceeds in the same manner as provided in paragraphs 7.7 and 7.8 above. If Mortgagee does elect to apply such proceeds in payment or reduction of the Indebtedness secured hereby, whether due or not, and if the same are insufficient to pay such amount in full, and if the principal balance then secured by this Mortgage exceeds seventy-five percent (75%) of the appraised value of the remaining Mortgaged Property, as determined by Mortgagee, then Mortgagee shall have the right and option to declare the entire balance of the Indebtedness remaining unpaid to be immediately due and payable. Mortgagee shall be entitled to all Awards, and is hereby authorized, at its option, to commence, appear in and prosecute, in its own name or in Mortgagor's name, any such proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. Mortgagor hereby assigns and transfers to Mortgagee all Awards up to the amount of the Indebtedness and the claims, rights and proceedings in connection therewith. Mortgagor agrees to execute such further assignments of all Awards and claims, rights and proceedings in connection therewith as Mortgagee may request. Mortgagee shall not be held responsible for any failure to collect any amount in connection with any such proceeding regardless of the cause of failure.

7.10 Performance of Agreements. Mortgagor, Beneficiary and any other Affiliated Person will duly and punctually perform all covenants and agreements under any agreements to which it is respectively a party with respect to the Mortgaged Property or any part thereof.

7.11 Inspection. Mortgagor will permit Mortgagee, at all reasonable times, to inspect the Mortgaged Property.

7.12 Hold Harmless. Mortgagor will defend and hold Mortgagee harmless from any action, proceeding or claims affecting the Mortgaged Property, or the value of the Note or the Loan Documents.

7.13 Books and Records. Beneficiary will maintain full and complete books and records reflecting the results of its operations (in conjunction with its other operations as well as its operations of the Mortgaged Property) in accordance with generally accepted accounting principles, and all such books and records shall, upon five (5) days' prior written notice, be subject to inspection by the Mortgagee and its representatives.

7.14 Annual Statements. Beneficiary will cause to be delivered to Mortgagee, within ninety (90) days after the close of each fiscal year of Beneficiary, an annual operating statement showing all income and expenses of the Mortgaged Property during such fiscal year, and financial statements of Beneficiary, the General Partner and any other Affiliated Person, all in form and substance satisfactory to Mortgagee, all audited by an independent certified public accountant acceptable to Mortgagee and all accompanied by a statement from said public accountant to the effect that said financial statements are to be relied upon by Mortgagee and that said financial statements have been delivered to Mortgagee; provided, however, with respect to the financial statements of Beneficiary, the General Partner and any other Affiliated Person, if audited financial statements are not available, Mortgagee will accept, in lieu thereof, financial statements certified by an independent certified public accountant. With respect to the operating statements for the Mortgaged Property, each annual statement shall include an annual rent schedule and a schedule of gross receipts collected by each tenant who is obligated to pay additional rent based on a percentage of gross receipts and such other data and information as Mortgagee may request. In addition to the foregoing, at any time and from time to time Mortgagor shall deliver or cause to be delivered to Mortgagee such other financial or business data or information as Mortgagee shall request with respect to the Mortgaged Property, Beneficiary, the General Partner or any other Affiliated Person. Mortgagee shall have the right, upon five (5) days' prior written notice, to inspect and make copies during normal business hours of Beneficiary's, the General Partner's or any other Affiliated Person's books, records and income tax returns with respect to the Mortgaged Property for the purpose of verifying any reports or other information delivered in accordance with this paragraph 7.14.

7.15 Deposits For Impositions. Mortgagor shall, at Mortgagee's option, pay to Mortgagee, on and subsequent to the date hereof and on each of the due dates of installments of principal and/or interest as set forth in the Note, an amount equal to one-twelfth (1/12) of Mortgagee's estimate of the next annual Impositions. Mortgagor shall also pay to Mortgagee such additional amounts, to be determined by Mortgagee from time to time, as will provide a sufficient fund at least thirty (30) days' prior to the due

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dates of the next installment of such Impositions for payment of such Impositions. Amounts held hereunder by Mortgagee shall not bear interest and may be commingled with Mortgagee's other funds. Provided that no event has occurred which with the passage of time or the giving of notice or both would constitute an Event of Default hereunder, amounts held by Mortgagee pursuant to this paragraph 7.15 shall be made available to Mortgagor in sufficient time to allow Mortgagor to satisfy Mortgagor's obligations under the Loan Documents to pay Impositions. Upon an Event of Default under this Mortgage, Mortgagee may, at its option, without being required so to do, apply any deposits on hand to any of the Indebtedness, in such order and manner as Mortgagee may elect. All deposits are hereby pledged as additional security for the Indebtedness, and shall be held by Mortgagee irrevocably to be applied for the purposes for which made as herein provided and shall not be subject to the direction or control of Mortgagor. If Mortgagee elects, Mortgagor shall provide, at its expense, a tax service contract for the term of this Mortgage, issued by a tax reporting agency approved by Mortgagee. If Mortgagee does not so elect, Mortgagor shall reimburse Mortgagee for the cost of making annual tax searches throughout the term of this Mortgage.

7.16 Lien Status. Mortgagor shall protect the lien and security interest of this Mortgage and the Loan Documents and shall not place, or permit to be placed, or otherwise mortgage, pledge, hypothecate or encumber the Mortgaged Property with any other lien, attachment, levy, or security interest of any nature whatsoever (whether mechanics, judgment, tax, statutory, contractual or other) regardless of whether the same is allegedly or expressly subordinate and inferior to the liens and security interest created by this Mortgage and the Loan Documents, except for the Permitted Exceptions and if any such lien or security interest is asserted against the Mortgaged Property, Mortgagor shall promptly, and at its own cost and expense, subject to the provisions of paragraph 10.20 hereof, pay the underlying claim in full, or appear in and defend any action or claim, or take such other action so as to cause the same to be released within thirty (30) days of when asserted, made or filed.

7.17 Restrictions on Transfer and Financing. For the purpose of protecting Mortgagee's security, keeping the Mortgaged Property free from subordinate financing liens, and/or allowing Mortgagee to raise the interest rate and to collect assumption fees, Mortgagor agrees that any sale, conveyance, further encumbrance or other transfer of title to the Mortgaged Property, or any interest therein (whether voluntarily or by operation of law), without Mortgagee's prior written consent, shall be an Event of Default hereunder.

For the purpose of this paragraph 7.17 and without limiting the generality of the foregoing, the occurrence at any time of any of the following events, without Mortgagee's prior written consent, shall be deemed to be an unpermitted transfer of title to the Mortgaged Property and therefore an Event of Default hereunder:

- (a) any sale, conveyance, assignment, or other transfer of, or the mortgage, pledge or grant of a security interest in, all or any part of the legal and/or equitable title to the Mortgaged Property, including, without limitation, all or any part of the beneficial interest of Mortgagor, or all or substantially all of Mortgagor's or the Beneficiary's assets, except for Permitted Subordinate Financing; or
- (b) any sale, conveyance, assignment, or other transfer of, or the mortgage, pledge or the grant of a security interest in, any shares of stock of a corporate Mortgagor, a corporation which is the beneficiary of a trustee Mortgagor, a corporation which is the general partner of a partnership Mortgagor, a corporation which is a general partner of a partnership beneficiary of a trustee Mortgagor, a corporation which is the owner of substantially all of the stock of any corporation described in this subparagraph, or any other corporation having an interest, whether direct or indirect, in Mortgagor, Beneficiary, the General Partner or any other Affiliated Person; or
- (c) any sale, conveyance, assignment or other transfer of, or the mortgage, pledge or grant of a security interest in, any general partnership interest of a partnership Mortgagor or a partnership beneficiary of a trustee Mortgagor, a partnership which is a general partner in a partnership Mortgagor, a partnership which is a general partner in a partnership beneficiary of a trustee Mortgagor, a partnership which is the owner of substantially all of the capital stock of any corporation described in subparagraph 7.17(ii) above, or any other partnership having an interest, whether direct or indirect, in Mortgagor, Bene-

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fiary, the General Partner or any other Affiliated Person, it being understood that the foregoing shall not apply to any presently existing limited partner of Beneficiary; provided, however, in the event the General Partner dies, his general partnership interest may be transferred to any one or more of his presently living sons, daughters or wife (collectively the "Heirs"); or

- (d) if Mortgagor, Beneficiary, the General Partner or any other Affiliated Person shall modify, amend, terminate, dissolve or in any way alter its trust, corporate or partnership existence, to the extent applicable, or fall from good standing or convey, transfer, distribute, lease or otherwise dispose of all or substantially all of its property, assets or business.

Any consent by Mortgagee permitting a transaction otherwise prohibited under this paragraph 7.7 shall not constitute a consent to or waiver of any right, remedy or power of Mortgagee to withhold its consent on a subsequent occasion to a transaction not otherwise permitted by the provisions of this paragraph 7.17, and notwithstanding the giving of such consent Mortgagor shall not engage in any "prohibited transaction" with any "party-in-interest" as such terms are defined in the Employee Retirement Income Security Act of 1974, as amended from time to time.

No such consent shall be considered by Mortgagee unless the appropriate service fees and legal fees are paid in advance, and no such consent shall be given unless Mortgagor agrees, inter alia, that immediately upon closing of the subject sale or transfer, Mortgagor will provide Mortgagee with a copy of the deed or other instrument conveying title to the Mortgaged Property to transferee and with an Affidavit and Agreement of Indemnification in the form of Exhibit F attached to the Commitment executed by the transferee under oath.

Any such sale, transfer, assignment, conveyance, lease, lien, pledge, mortgage, hypothecation or any other encumbrance or alienation or contract or agreement to do any of the foregoing shall be null and void and of no force or effect, but the attempted making thereof shall, at the option of Mortgagee, constitute an Event of Default hereunder. Any consent by Mortgagee, or any waiver of an Event of Default under this paragraph 7.17, shall not constitute a consent to or waiver of any right, remedy, or power of Mortgagee upon a subsequent Event of Default under this paragraph 7.17.

7.18 Existence. Mortgagor, Beneficiary and any other Affiliated Person will preserve and keep in full force and effect its partnership, corporate or trust existence, rights, franchises and trade names, to the extent applicable.

7.19 Use Restrictions. Mortgagor shall not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, the Mortgaged Property in any manner which would: (a) be dangerous unless safeguarded as required by law; (b) constitute a public or private nuisance; (c) make void, voidable or cancellable, or increase the premium of, any insurance then in force with respect thereto; or (d) alter the current use and occupancy of the Mortgaged Property. Mortgagor will not operate the Mortgaged Property, or permit the same to be operated, as a cooperative or condominium building or buildings in which the tenants or occupants participate in the ownership, control or management of the Mortgaged Property, or any part thereof, as tenant stockholders or otherwise.

7.20 Alterations. Mortgagor shall not, without the prior written consent of Mortgagee, make or permit to be made any additions or material alterations to the Mortgaged Property.

7.21 Replacement of Fixtures and Personality. Mortgagor shall not, without the prior written consent of Mortgagee, permit any of the Fixtures or Personality to be removed at any time from the Real Estate or Buildings except to the extent permitted under the Security Agreement referred to in paragraph 5.1 above.

7.22 Restoration Following Any Casualty. If any act or occurrence of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (including any casualty for which insurance was not obtained or obtainable or condemnation for which the award was obtained or not obtained), shall result in damage to or loss or destruction of the Mortgaged Property, Mortgagor shall give notice thereof to Mortgagee and shall promptly, at Mortgagor's sole cost and expense, and regardless of whether any insurance proceeds or condemnation award, or any portion thereof, shall be sufficient or shall be made available by Mortgagee for such purpose, commence and continue diligently to complete the

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restoration, repair, replacement and rebuilding of the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to such damage, loss or destruction.

7.23 Tax Service Contract; Annual Tax Searches. If Mortgagee so elects at any time, Mortgagor shall provide, at its sole expense, a tax service contract for the term of the loan secured hereby issued by a tax reporting agency acceptable to Mortgagee. If Mortgagee does not so elect, Mortgagor shall reimburse Mortgagee for the cost of making annual tax searches throughout the term of the loan secured hereby.

7.24 Hazardous Materials and Environmental Requirements. Mortgagor shall comply with all laws, governmental standards and regulations applicable to Mortgagor or to the Mortgaged Property with respect to occupational health and safety, Hazardous Materials and environmental matters (collectively the "Applicable Environmental Laws"). Mortgagor shall promptly notify Mortgagee of its receipt of any notice of a violation of any Applicable Environmental Laws. Mortgagor and Beneficiary hereby agree to indemnify and hold Mortgagee harmless from all loss, cost, damage, claim and expense (including, without limitation, attorneys fees and costs incurred in the investigation, defense and settlement of claims) incurred by Mortgagee on account of Mortgagor's violation of any Applicable Environmental Laws. Mortgagor's failure to pay all loss, cost, damage, claim and expense incurred by Mortgagee on account of Mortgagor's failure to perform the obligations of this paragraph 7.24 shall constitute a default hereunder and under the Loan Documents.

7.25 Asbestos. Mortgagor shall not install or permit to be installed in the Mortgaged Property friable asbestos or any substance containing asbestos and deemed hazardous by federal, state or local laws, rules, regulations or orders respecting such material (collectively, the "Applicable Asbestos Laws"). With respect to any such material currently present in the Mortgaged Property, Mortgagor shall promptly either: (a) remove any such material deemed hazardous and required to be removed under any Applicable Asbestos Laws; or (b) otherwise comply with the Applicable Asbestos Laws, at Mortgagor's sole cost and expense. If Mortgagor shall fail to so remove or otherwise comply, Mortgagee may, after notice to Mortgagor and the expiration of the earlier of (i) the applicable cure period hereunder or (ii) the cure period permitted under the Applicable Asbestos Laws, either declare the Mortgage to be in default, or do whatever is necessary to eliminate said substances from the Mortgaged Property or otherwise comply with the Applicable Asbestos Laws, and the cost thereof incurred by Mortgagee shall be additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the Default Rate provided for herein and in the Note. Mortgagor shall give to Mortgagee and its agents and employees access to the Mortgaged Property and hereby specifically grants to Mortgagee a license, effective upon expiration of the applicable cure period, to remove said asbestos or substances in order to comply with the Applicable Asbestos Laws. Mortgagor and Beneficiary shall indemnify Mortgagee and hold Mortgagee harmless from and against any and all loss, cost, damage and expense (including, without limitation, attorneys fees and costs incurred in the investigation, defense and settlement of claims) that Mortgagee may incur as a result of or in connection with the assertion against Mortgagee of any claim relating to the presence or removal of any asbestos substance referred to in this Paragraph 7.25, or compliance with any of the Applicable Asbestos Laws. Mortgagor's failure to pay all loss, cost, damage, claim and expense incurred by Mortgagee on account of Mortgagor's failure to perform the obligations of this paragraph 7.25 shall constitute a default under the Loan Documents. In addition, Mortgagor and Beneficiary acknowledge that in the event asbestos is caused to be removed from the Mortgaged Property by Mortgagor or by Mortgagee in order to comply with the Applicable Asbestos Laws, that the Environmental Protection Agency number assigned to the asbestos so removed shall not be in the name of Mortgagee, and Mortgagor and Beneficiary shall assume all of Mortgagee's potential and actual liability for such removed asbestos.

7.26 Permitted Subordinate Financing. Mortgagee agrees not to withhold its written consent if Mortgagor places, or permits to be placed, subordinate financing upon the Mortgaged Property, on a one (1) time basis, provided that such financing is expressly made subordinate and inferior and shall at all times be subordinate and inferior to the liens and security interests in favor of Mortgagee, to the full extent of all amounts which are and may become secured by this Mortgage and all leases pertaining to the Mortgaged Property and other security for the loan secured hereby, as the same may be subsequently modified or amended, and further provided that all of the following conditions have been fulfilled to Mortgagee's satisfaction ("Permitted Subordinate Financing"):

- (i) There shall not then be any default or event of default under this Mortgage or any of the other Loan Documents;

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- (ii) Mortgagee shall have approved, in writing, the holder of the Permitted Subordinate Financing;
- (iii) Mortgagor shall have given Mortgagee at least thirty (30) days prior written notice of its desire to place Permitted Subordinate Financing on the Mortgaged Property, together with all documents and instruments evidencing and securing the Permitted Subordinate Financing and such other information requested by Mortgagee regarding the Permitted Subordinate Financing, all of which shall be in form and substance satisfactory to Mortgagee;
- (iv) If Mortgagee so requests, the holder of the Permitted Subordinate Financing shall have entered into a written subordination agreement with Mortgagee, in form and substance satisfactory to Mortgagee;
- (v) A written agreement from both the holder of the Permitted Subordinate Financing and Mortgagor, in form and substance satisfactory to Mortgagee, shall be delivered to Mortgagee to the effect that the loan documents evidencing and securing the Permitted Subordinate Financing shall not be modified, amended or changed without the prior written consent of Mortgagee;
- (vi) The holder of the Permitted Subordinate Financing shall have agreed to give Mortgagee notice of and a right but not the duty to cure any default with respect to such Permitted Subordinate Financing, including the right to pay all or any portion of the indebtedness secured thereby, and be subrogated to the rights of such holder thereunder;
- (vii) Mortgagor shall have agreed, in writing, to deliver to Mortgagee, within five (5) days after the Permitted Subordinate Financing, a copy of the executed subordinate mortgage and copies of such other subordinate loan documents as Mortgagee may request;
- (viii) Mortgagor shall have paid to Mortgagee all costs and expenses, including, without limitation, attorneys' fees, incurred by Mortgagee in connection with the Permitted Subordinate Financing;
- (ix) The title company insuring this Mortgage shall have issued an endorsement to the title policy insuring the first priority of this Mortgage without raising any additional exceptions thereunder and scheduling the Permitted Subordinate Financing as subordinate to this Mortgage; and
- (x) The annualized net operating income (calculated in a manner acceptable to Mortgagee) being generated from the Mortgaged Property shall be sufficient (taking into consideration the debt service payments under the loan secured hereby and the Permitted Subordinate Financing) to provide an anticipated debt service coverage ratio equal to or exceeding 1.05 to 1.00.

Article 8

EVENTS OF DEFAULT

The term "Event of Default" shall mean the occurrence or happening, at any time and from time to time, of any one or more of the following, without notice to Mortgagor and without any grace period unless otherwise expressly set forth herein.

8.1 Payment of Indebtedness. If Mortgagor, Beneficiary or any other Affiliated Person shall default in the due and punctual payment of all or any portion of any installment of the Indebtedness as and when the same shall become due and payable and said

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default is either uncurable or, if curable, shall remain uncurred for a period of five (5) days after any applicable payment date.

8.2 Performance of Obligation. If Mortgagor, Beneficiary or any other Affiliated Person shall default in the due observance or performance of any of the Obligations as and when required and said default is uncurable or, if curable, shall remain uncurred for a period of thirty (30) days after written notice thereof from Mortgagee; provided, however, that if any such non-monetary default is curable but requires work to be done, acts to be done or conditions to be remedied which, by their nature, cannot be performed, done or remedied, as the case may be, within such thirty (30) day period, no event of default shall occur if Mortgagor commences to cure such default within thirty (30) days after written notice thereof and thereafter diligently and continuously prosecutes the same to completion within sixty (60) days after such written notice.

8.3 Bankruptcy, Receivership, Insolvency, etc. If proceedings under the Federal Bankruptcy Code shall be commenced by or against Mortgagor, Beneficiary or any other Affiliated Person, or bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation or other similar proceedings shall be instituted by or against Mortgagor, Beneficiary or any other Affiliated Person with respect to all or any part of any or all of Mortgagor's, Beneficiary's or any other Affiliated Person's property under the Federal Bankruptcy Code or other law of the United States or of any state or other competent jurisdiction; provided, however, the filing of any such proceedings against or by the General Partner shall not be an event of default if both of the following conditions are fulfilled to Mortgagee's satisfaction: (a) within a reasonable period of time acceptable to Mortgagee after the filing of said proceeding, the General Partner is removed as managing general partner and is replaced by one of his Heirs (as defined above) or by any of the presently existing sole general partners of the limited partner of Beneficiary; and (b) Mortgagee determines, in its sole discretion, that the bankruptcy proceeding does not and will not have a material adverse effect on its security for the loan secured hereby.

8.4 Laws Affecting Obligations and Indebtedness. If subsequent to the date of this Mortgage, any law is passed (a) which renders payment of the Indebtedness and/or performance of the Obligations by Mortgagor, Beneficiary or any other Affiliated Person unlawful or (b) which prohibits Mortgagee from exercising any of its rights and remedies under the Loan Documents.

8.5 Foreclosure of Other Liens. If the holder of a junior or senior mortgage or other lien on the Mortgaged Property, including, without limitation, the Permitted Subordinate Financing (without hereby implying Mortgagee's consent to any such junior or senior mortgage or other lien) declares a default or institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

8.6 Damage or Destruction. If the Mortgaged Property or any material part thereof is demolished, destroyed or damaged by any cause whatsoever and the loss is not adequately covered by insurance actually collected and Mortgagor fails to deposit with Mortgagee the deficiency upon written request.

8.7 Tax on Indebtedness or Mortgage. If any law is passed: (a) which would impose upon Mortgagee the obligation to pay the whole or any part of the Impositions; or (b) which would change in any way the laws relating to the taxation of mortgages, deeds of trust or debts so as to affect this Mortgage or the Indebtedness; provided, however, that if in the opinion of Mortgagee's counsel it shall be lawful for Mortgagor to pay such Impositions or to reimburse Mortgagee therefor, then no Event of Default shall be deemed to have occurred if a mutually satisfactory reimbursement agreement is executed by Mortgagor and delivered to Mortgagee and such Impositions or reimbursements are thereafter paid by Mortgagor.

8.8 Failure to Maintain Permits or Licenses. If Mortgagor shall fail to maintain any permits or licenses which are necessary and required for operation of the Mortgaged Property.

8.9 Intentionally Omitted.

8.10 False Representation. If any representation or warranty made by Mortgagor, Beneficiary or any other Affiliated Person or others in, under or pursuant to the Loan Documents shall be false or misleading in any respect on or at any time after the date when made, or if any inaccuracy shall exist in any of the financial statements, operating information or other information furnished to Mortgagee in connection with the Loan Documents.

8.11 Failure to Notify Mortgagee of Default or False Representation. If Mortgagor, Beneficiary or any other Affiliated Person shall fail to notify Mortgagee in writing as soon as it shall be practicable to do so upon learning that any representation or warranty made by Mortgagor, Beneficiary or by any other Affiliated Person to Mortgagee is false or misleading in any material respect, or upon learning of the occurrence of any event which with the passage of time or the giving of notice or both would constitute an Event of Default under the Loan Documents.

8.12 Failure to Obtain Mortgagee's Consent to Transfer or Financing. If Mortgagor shall make any unpermitted transfer or financing in violation of Paragraph 7.17 above.

8.13 Levy or Attachment. Subject to the provisions of paragraph 10.20 hereof, if any writ, attachment, levy, citation, lien or distress warrant shall be issued against the Mortgaged Property or any part thereof or interest therein.

8.14 Operating Agreement. If Mortgagor or Beneficiary shall default in the due observance and performance of any covenants, conditions, warranties, representations and other obligations under the Operating Agreement.

8.15 Inability to Pay Impositions and Other Debts. If Mortgagor shall fail to pay any of the Impositions when due, or if Mortgagor shall suffer or permit any other accounts payable in connection with the Mortgaged Property to become past due, or if Mortgagor, Beneficiary or any other Affiliated Person shall generally fail or be unable to pay its debts as they come due, or shall admit in writing its inability to pay its debts as they become due, or shall make a general assignment for the benefit of creditors.

8.16 Intentionally Omitted.

8.17 Default Under Leases. If Mortgagor or Beneficiary shall default in the performance of any obligations required pursuant to the Leases; provided, however, that the determination of whether a default by Mortgagor has occurred under any Leases pertaining to the Mortgage Property shall have been made by a final and unappealable court order; provided further, however, such a court order shall not be an Event of Default if the Lease defaulted under covers rentable square footage of five thousand (5,000) or less.

Article 9

DEFAULT AND FORECLOSURE

9.1 Remedies. If an Event of Default shall occur, Mortgagee may, at its option, exercise one or more or all of the following remedies either successively or concurrently:

9.1.1 Acceleration. Declare the unpaid portion of the indebtedness to be immediately due and payable, with interest thereon accruing at the Default Rate, without further notice or demand (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.

9.1.2 Receiver. Apply at any time to a court having jurisdiction for the appointment of a receiver of the Mortgaged Property, and of the Rents and Leases; and such appointment shall be made by the court as a matter of strict right to Mortgagee and without reference to the adequacy or inadequacy of the security or value of the Mortgaged Property, or to the solvency or insolvency of Mortgagor, and Mortgagor does hereby irrevocably consent to such appointment. The Rents shall be applied by the receiver to the payment of the Indebtedness, as provided in paragraph 9.5 below, or as otherwise ordered by the court.

9.1.3 Entry on Mortgaged Property. Enter upon the Mortgaged Property, without force or with such force as is permitted by law, and without notice or process or with such notice or process as is required by law, unless such notice or process is waived, in which case Mortgagor hereby waives such notice and process, and take exclusive possession thereof and of all books, records and accounts relating thereto.

9.1.4 Power of Sale. To the fullest extent permitted and pursuant to the procedures provided by applicable law, exercise such power of sale as may be provided by applicable law, and sell or offer for sale the Mortgaged Property in such portions, order and parcels as Mortgagee may determine, with or without having first taken possession of the same, to the highest bidder at public auction. Such sales shall be made in accordance with the Legal Requirements therefor for the state in which the Mortgaged Property is

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located, including, to the extent there relevant, the Uniform Commercial Code there in effect. Nothing contained in this paragraph 9.1.4 shall be construed to limit in any way Mortgagee's rights to sell the Mortgaged Property by private sale if, and to the extent that, such private sale is permitted under the laws of the state where the Mortgaged Property is located or by public or private sale after entry of a judgment by any court of competent jurisdiction ordering the same.

9.1.5. Full or Partial Foreclosure. Pursuant to the procedures provided by applicable law, institute and prosecute foreclosure proceedings with respect to the Mortgaged Property; or, if Mortgagee so elects, institute foreclosure procedures only with respect to a portion of the Indebtedness or to a portion of the Mortgaged Property (such partial proceeding being hereinafter referred to as a partial foreclosure). Mortgagor agrees that a sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the remainder of the secured Indebtedness, but as to such remainder this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this paragraph. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Mortgagee may elect, at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the entire secured Indebtedness by reason of any Event of Default upon which such partial foreclosure was predicated or by reason of any other Event of Default, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosures without exhausting the right of full or partial foreclosure sale for any remainder of the secured Indebtedness, it being the purpose hereof to provide for a partial foreclosure sale of the secured Indebtedness without exhausting the power to foreclose and to sell the Mortgaged Property pursuant to any such partial foreclosure for any other part of the secured Indebtedness whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

9.1.6 Other. Exercise any other remedy specifically granted under the Loan Documents now or hereafter existing in equity, at law, by virtue of statute or otherwise.

9.2 Right and Authority of Receiver or Mortgagee in the Event of Default, Power of Attorney. Upon the occurrence of an Event of Default hereunder and entry upon the Mortgaged Property pursuant to paragraph 9.1.3 above, or appointment of a receiver pursuant to paragraph 9.1.2 above, and under such terms and conditions as may be deemed prudent and reasonable, in Mortgagee's or the receiver's opinion under the circumstances, all at Mortgagor's expense, Mortgagee or said receiver, as the case may be, may do or permit any one or more of the following, successively or concurrently: (a) enter upon and take possession and control of the Mortgaged Property; (b) take and maintain possession of all documents, books, records, papers and accounts related to the Mortgaged Property; (c) exclude Mortgagor, its agents and employees wholly from the Mortgaged Property; (d) manage and operate the Mortgaged Property; (e) preserve and maintain the Mortgaged Property; (f) make repairs and alterations to the Mortgaged Property; (g) complete any construction or repair of the improvements on the Mortgaged Property with such changes, additions or modifications to the plans and specifications or intended disposition and use of the improvements under construction on the Mortgaged Property as Mortgagee may deem appropriate or desirable to place the Mortgaged Property in such condition as will, in Mortgagee's sole judgment, make it or any part thereof readily marketable or rentable; (h) conduct a marketing or leasing program with respect to the Mortgaged Property, or employ a marketing or leasing agent or agents to do so, directed to the lease or sale of the Mortgaged Property, under such other terms and conditions as Mortgagee may in its sole discretion deem appropriate or desirable; (i) employ such contractors, subcontractors, materialmen, architects, engineers, consultants, managers, brokers, marketing agents or other employees, agents, independent contractors or professionals, as Mortgagee may in its sole discretion deem appropriate or desirable, to implement and effectuate the rights and powers herein granted; (j) execute and deliver, in the name of Mortgagor as attorney-in-fact and agent of Mortgagor, or in its own name as Mortgagee or receiver, such documents and instruments as are necessary or appropriate to consummate authorized transactions; (k) enter such leases, whether of real or personal property, or tenancy agreements, under such terms and conditions as Mortgagee or receiver may in its sole discretion deem appropriate or desirable; (l) collect and receive the Rents from the Mortgaged Property; (m) eject tenants or repossess personal property, as provided by law, for breaches of the conditions of their leases or other agreements; (n) sue for unpaid rents, payments, income or proceeds in the name of Mortgagor or Mortgagee; (o) maintain actions in forcible entry and detainer and actions in distress for rent; (p) compromise or give acquittance for rents, payments, income or proceeds that may become due; (q) delegate or assign any and all rights and powers given to Mortgagee by this Mortgage; and/or (r) do any acts which Mortgagee or the receiver in its discretion deems appropriate or desirable to protect the security hereof and/or use

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such measures, legal or equitable, as it may in its discretion deem appropriate or desirable, to implement and effectuate the provisions of this Mortgage. This Mortgage shall constitute a direction to and full authority to any lessee or other third-party who has heretofore dealt or may hereafter deal with Mortgagor or Mortgagee, at the request of Mortgagee, to pay all amounts owing under any lease or other agreement to Mortgagee without proof of the default relied upon. Any such lessee or third-party is hereby irrevocably authorized to rely upon and comply with (and shall be fully protected by Mortgagor in so doing) any request, notice or demand by Mortgagee for the payment to Mortgagee of any Rents or other sums which may be or thereafter become due under its lease or other agreement, or for the performance of any undertakings under any such lease or other agreement, and shall have no right or duty to inquire as to whether any default under this Mortgage or any of the other Loan Documents has actually occurred or is then existing, and Mortgagor hereby constitutes and appoints Mortgagee, its assignees, successors, transferees and nominees, as Mortgagor's true and lawful attorney in fact and agent, with full power of substitution in the Mortgaged Property, in Mortgagor's name and stead, to do or permit any one or more of the foregoing described rights, remedies, powers and authorities, successively and concurrently, and said power of attorney shall be deemed a power coupled with an interest and irrevocable.

9.3 Remedies Cumulative and Concurrent. The rights and remedies of Mortgagee as provided herein and in the Loan Documents shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor or against other obligors or against the Mortgaged Property, or any one or more of them, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

9.4 Waiver of Redemption, Notice, Marshalling, etc. To the extent permitted by law, Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage or under any sale pursuant to any statute, order, decree or judgment of any court, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property or any portion thereof. Mortgagor further agrees, to the extent permitted by law, that if a default occurs hereunder, neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any homestead exemption, appraisal, valuation, stay, extension, moratorium or other laws now or hereafter in force in order to prevent or hinder enforcement or foreclosure of this Mortgage, or absolute sale of the property hereby conveyed, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives and releases to the full extent that it may lawfully so do the benefit of such laws and any and all rights to have the assets comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof.

9.5 Application of Proceeds. The proceeds of any sale or all or any portion of the Mortgaged Property and the amounts generated by any holding, leasing, operation or other use of the Mortgaged Property shall be applied by Mortgagee in such order as Mortgagee may at its option elect, for the following purposes:

- (a) to the payment of all of the costs and expenses of taking possession of the Mortgaged Property and of holding, using, leasing, repairing, improving and selling the same, including, without limitation, payment of attorneys fees and fees of a receiver;
- (b) to the payment of accrued and unpaid interest due on the Note;
- (c) to the payment of the balance of the Indebtedness; and
- (d) the balance, if any, to Mortgagor.

9.6 No Conditions Precedent to Exercise of Remedies: Mortgagor shall not be relieved of any Obligation by reason of: (a) the failure of Mortgagee to comply with any request of Mortgagor to foreclose the lien of this Mortgage or to enforce any provision of the other Loan Documents; (b) the release, regardless of consideration, of the Mortgaged Property or any portion thereof, or the addition of any other property to the Mortgaged Property; (c) any agreement or stipulation extending, renewing, rearranging or in any other way modifying the terms of the Loan Documents without first having obtained the consent of, given notice to or paid any consideration to Mortgagor and in such event Mortgagor shall continue to be obligated to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged in

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writing by Mortgagee; or (d) by any other act or occurrence save and except the complete payment of the Indebtedness and the complete fulfillment of all of the Obligations.

9.7 Indemnity. Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, and to the extent provided by law and except for Mortgagee's willful misconduct or gross negligence, Mortgagor shall and does hereby agree to protect, indemnify, defend and hold Mortgagee harmless of and from any and all liability, loss, cost, expense or damage which it may or might incur in the exercise of its rights, remedies, powers and authority hereunder, and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations, undertakings or liabilities. Should Mortgagee incur any such liability, loss, cost or damage of or in the defense of any claims or demands, the amount thereof, including costs, expenses and attorneys' fees, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand, with interest accruing at the Default Rate.

9.8 Discontinuance of Proceedings. In case Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon the same for any reason, Mortgagee shall have the unqualified right so to do and, in such an event, Mortgagor and Mortgagee shall be restored to their former positions with respect to the Indebtedness, the Obligations, the Loan Documents, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee shall continue as if the same had never been invoked.

Article 10

MISCELLANEOUS

10.1 Future Advances. This Mortgage is given to secure payment of the Note, whether the entire amount thereof shall have been advanced to Mortgagor at the date hereof, or at a later date, and to secure the payment and performance of all other liabilities and obligations of Mortgagor under the Note or the Loan Documents, and any other amount or amounts that may be added to the Indebtedness under the terms of this Mortgage, all of which Indebtedness being equally secured with and having the same priority as any amounts advanced at the date hereof. It is agreed that any future advances made by Mortgagee to or for the benefit of Mortgagor from time to time under this Mortgage or the Loan Documents, whether or not such advances are obligatory or are made at the option of Mortgagee, or otherwise, made at any time from the date of this Mortgage, and all interest accruing thereon, shall be equally secured by this Mortgage and have the same priority as all amounts, if any, advanced as of the date hereof and be subject to all of the terms and provisions of this Mortgage. The total amount of indebtedness that may be so secured may increase or decrease from time to time, but the total unpaid balance so secured at any one time, plus interest thereon, plus any disbursements made for the payment of taxes, levies, insurance or other liens, charges or encumbrances on the Mortgaged Property, plus interest on such disbursements at the Default Rate, shall not exceed Five Hundred Percent (500%) of the face amount of the Note.

10.2 Further Assurances. Mortgagor, upon the reasonable request of Mortgagee, will execute, acknowledge and deliver such further instruments (including, without limitation, a declaration of no set-off) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of the Loan Documents.

10.3 Recording and Filing. Mortgagor will cause the Loan Documents and all supplements thereto at all times to be recorded and filed in such manner and in such places as Mortgagee shall request, and will pay any recording and filing taxes, fees and other charges.

10.4 Notice. All notices, demands, requests and other communications required under the Loan Documents shall be in writing and shall be deemed to have been properly given if delivered by messenger or if sent by U.S. first class mail, postage prepaid, addressed to the party for whom it is intended at Mortgagor's Address or Mortgagee's Address, as the case may be, and if to Mortgagor, with a copy to Hess, Kaplan & McDowell, Ltd., 180 North LaSalle Street, Suite 2525, Chicago, Illinois 60601, Attention: Peter A. Hess, Esq., and if to Mortgagee, with a copy to Coffield Ungaretti Harris & Slavin, 3500 Three First National Plaza, Chicago, Illinois 60602, Attention: Barbara J. Davis, Esq. Notice will be deemed to have been given upon delivery if delivered by messenger or on the date of mailing if mailed. Any party may designate a change of address by written notice to the other.

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10.5 Mortgagee's Right to Perform the Obligations. If Mortgagor fails to make any payment or perform any act required by the Note, the Loan Documents or the Legal Requirements, Mortgagee, without any obligation so to do and without waiving any other right, remedy or recourse, may make such payment or perform such act at the expense of Mortgagor. All sums so paid by Mortgagee and all costs incurred in connection therewith, together with interest thereon at the Default Rate from the date of payment, shall constitute part of the indebtedness secured by this Mortgage and the Loan Documents and shall be paid by Mortgagor to Mortgagee on demand or shall be included in any judgment of foreclosure.

10.6 Modification. The Loan Documents and the terms of each of them may not be changed, waived, discharged or terminated orally, but only by an instrument or instrument in writing signed by the parties to the Loan Document being so modified, including Mortgagee, even if Mortgagee has not executed such Loan Document.

10.7 No Waiver. All options and rights of election herein provided for the benefit of Mortgagee are continuing, and the failure to exercise any such option or right of election upon a particular default or breach or upon any subsequent default or breach shall not be construed as waiving the right to exercise such option or election at any later date. No exercise of the rights and powers herein granted and no delay or omissions in the exercise of such rights and powers shall be held to exhaust the same or be construed as a waiver thereof, and every such right and power may be exercised at any time and from time to time.

10.8 Subrogation. If the proceeds of the Note are utilized in whole or in part to take up any existing lien against the Mortgaged Property or any portion thereof, Mortgagee shall be subrogated to any and all rights of the holder of any such lien, whether or not it is assigned to Mortgagee, and said liens are hereby renewed, extended and carried forward in full force and effect for the benefit of Mortgagee.

10.9 Mortgagee's Costs and Expenses. Mortgagor further expressly covenants and agrees to pay Mortgagee all costs and expenses of every kind paid or incurred by Mortgagee in any way in connection with the Note, this Mortgage or other Loan Documents, and the protection of the Mortgaged Property or the maintenance of the lien of this Mortgage, and the security interests under the other Loan Documents or otherwise in connection with the determination and exercise by Mortgagee of any of its rights or remedies under the Loan Documents upon the occurrence of any event which, with the passage of time or the giving of notice or both, could constitute a default or an event of default hereunder, including any and all expenditures for documentary evidence, title insurance, minutes of foreclosure, or any abstract or opinion of title to the Mortgaged Property, and all similar fees, costs, charges and expenses, and including all attorneys fees and stenographer's fees, paid or incurred by Mortgagee in any suit or legal proceeding, or in preparation or in anticipation of declaring a default or event of default, or in preparation or in anticipation of such suit or proceeding, regardless of whether such suit or proceeding is actually instituted, including, without limitation, any bankruptcy or insolvency proceeding, probate proceeding, or other proceeding in which Mortgagee may in its discretion intervene in order to protect its security, or appeal from any of the foregoing, or otherwise paid or incurred by Mortgagee in obtaining legal advice regarding its rights and remedies under the Loan Documents, or in determining whether to declare a default or event of default hereunder. All such fees, costs, charges and expenses shall constitute so much additional indebtedness evidenced by the Note and secured by this Mortgage, regardless of whether the same may cause the indebtedness secured hereby to exceed the face amount of the Note, and shall be immediately due and payable when incurred, with interest accruing thereon at the Default Rate, and shall be allowed in any decree of foreclosure hereof. No proceeding to foreclose this Mortgage, whether a decree of foreclosure shall have been entered therein or not, shall be dismissed, nor shall a release of this Mortgage be given until all such expenses, charges and costs of Mortgagee shall have been paid in full.

10.10 Usury. It is expressly stipulated and agreed to be the intent of Mortgagor and Mortgagee to at all times comply with applicable law now or hereafter governing the interest payable on the Note or the loan secured hereby. If the applicable law is ever revised, repealed, or judicially interpreted so as to render usurious any amount called for under the Note (or under any other instrument evidencing or relating to any of the secured indebtedness), or contracted for, charged, taken, reserved or received with respect to the loan secured hereby, or if Mortgagee's acceleration of the Note or any prepayment by Mortgagor results in Mortgagor having paid any interest in excess of that permitted by law, then it is Mortgagor's and Mortgagee's express intent that all excess amounts theretofore collected by Mortgagee be credited on the principal balance of the

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Note (or, if the Note has been paid in full, refunded to Mortgagor), and the provisions of the Note and this Mortgage and other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder.

10.11 Successors and Assigns; Covenants Running with the Land. The terms, provisions, covenants and conditions hereof and of the Loan Documents shall be binding upon Mortgagor, Beneficiary and any other Affiliated Person, their respective heirs, devisees, representatives, successors and assigns, and shall inure to the benefit of Mortgagee and its respective successors, substitutes and assigns, and shall constitute covenants running with the land.

10.12 Conflict of Terms. The terms, provisions, covenants and conditions of the Mortgage shall be construed in such a manner as to be consistent with the terms and any other instruments executed in connection with or as security for the Note; provided, however, in the event of a conflict between the terms of this Mortgage and the terms of the other Loan Documents, the terms of this Mortgage shall control.

10.13 Applicable Law. The rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Illinois, except to the extent that Federal law must pre-empt the applicability of state usury or other laws.

10.14 Report of Real Estate Transaction. Mortgagor has made or provided for making, or will make or provide for making, on a timely basis, any reports or returns required under Section 6045(e) of the Internal Revenue Code of 1986 (and any similar reports or returns required by state or local law) relating to the Mortgaged Property, notwithstanding the fact that the primary reporting responsibility may fall on Mortgagee, counsel for Mortgagee, or some other third party. Mortgagor's obligations under this paragraph shall be deemed to be satisfied if proper and timely reports and returns required under this paragraph are filed by a title company or real estate broker involved in the real estate transaction relating to the Mortgaged Property, but nothing contained herein shall be construed to require such returns or reports to be filed by Mortgagee or counsel for Mortgagee.

10.15 Business Loan. Mortgagor acknowledges and agrees (a) that the Note, this Mortgage, and the other Loan Documents have been negotiated, executed and delivered in the State of Illinois; (b) that the proceeds of the Note will be used for a "business purpose" as specified in Section 4(1)(c) of Paragraph 6407, ch. 17 of the Illinois Revised Statutes, and that accordingly, the principal obligation secured hereby constitutes a business loan which comes within the purview of said paragraph; and (c) that the Indebtedness and the Obligations secured hereby are an exempted transaction under the Truth-In-Lending Act, 15 U.S.C. §§1601, et seq.

10.16 No Joint Venture; No Third Party Beneficiary. Mortgagor acknowledges and agrees that in no event shall Mortgagee be deemed to be a partner or joint venturer with it. Without limitation of the foregoing, 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 securing any portion of the Indebtedness or otherwise. No other person shall be deemed to have any right or priority under this Mortgage to any extent or for any purpose whatsoever, nor shall any other person have any claim or right of action with respect to the Mortgaged Property or proceeds of the Indebtedness or be deemed a third-party beneficiary under this Mortgage or under the Loan Documents.

10.17 Severability. The Loan Documents are intended to be performed in accordance with, and only to the extent permitted by, all applicable Legal Requirements. If any provision of any of the Loan Documents or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable neither the remainder of the instrument in which such provision is contained, nor the application of such provision to other persons or circumstances nor the other instruments referred to herein shall be affected thereby, but rather shall be enforced to the greatest extent permitted by law. It is hereby expressly stipulated and agreed to be the intent of Mortgagor and Mortgagee to at all times comply with the usury and all other laws relating to the Loan Documents. If, at any time, the applicable Legal Requirements render usurious any amount called for in any Loan Document, then it is Mortgagor's and Mortgagee's express intent that such document be enforced to the greatest extent permitted by law, so as to comply with the then applicable law so as to permit the recovery of the fullest amount otherwise called for in such Loan Documents.

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10.18 Release Upon Payment and Discharge of Mortgagor's Obligations. If Mortgagor shall fully pay all principal and interest on the Note and all other Indebtedness evidenced and secured hereby, and perform and comply with all of the Obligations to be performed and complied with by Mortgagor, then this Mortgage shall be satisfied, and Mortgagee shall thereupon release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all Indebtedness secured hereby and, if allowed by law, upon payment to Mortgagee of a reasonable fee for the preparation of such release.

10.19 Consent of Mortgagee. Any consent by Mortgagee in any single instance shall not be deemed or construed to be Mortgagee's consent in any like matter arising at a subsequent date, and the failure of Mortgagee to promptly exercise any right, power, remedy, consent or approval provided herein or at law or in equity shall not constitute or be construed as a waiver of the same, nor shall Mortgagee be estopped from exercising such right, power, remedy, consent or approval at a later date. Any consent or approval requested of and granted by Mortgagee pursuant hereto shall be narrowly construed to be applicable only to Mortgagor and the matter identified in such consent or approval (and no third party shall claim any benefit by reason thereof), and shall not be deemed to constitute Mortgagee a venturer or partner with Mortgagor whatsoever, nor shall privity of contract be presumed to have been established with any such third party. If Mortgagee deems it to be in its best interest to retain the assistance of persons, firms or corporations (including, but not limited to, attorneys, appraisers, engineers and surveyors) with respect to a request for consent or approval, Mortgagor shall reimburse Mortgagee for all costs incurred in connection with the employment of such persons, firms or corporations.

10.20 Permitted Contests. Notwithstanding anything to the contrary herein contained, Mortgagor shall have the right to contest by appropriate legal proceedings diligently prosecuted any impositions and any mechanics', materialmen's or other liens or claims for lien upon the Mortgaged Property (all herein called "Contested Liens"), and no Contested Lien shall constitute an Event of Default hereunder, if, but only if, each of the following terms and conditions is satisfied in full to Mortgagee's satisfaction:

(a) Mortgagor shall forthwith give notice of any Contested Lien to Mortgagee at the time the same shall be asserted; and

(b) Mortgagor shall deposit with Mortgagee in cash the full amount of such Contested Lien, together with such additional amount equal to Mortgagee's estimate of interest, penalties or other increases that might arise during the period of contest (hereinafter referred to as the "Lien Amount"), provided, however, in the event of a mechanic lien claim, in lieu of such payment, Mortgagor shall have the right to bond over such lien with the title company which insured this Mortgage; and

(c) Mortgagor shall diligently prosecute the contest of any Contested Lien by appropriate legal proceedings having the effect of staying the foreclosure or forfeiture of the Mortgaged Property, and shall permit Mortgagee to be represented in, or review and approve the steps taken by Mortgagor in, any such contest and shall pay all expenses incurred by Mortgagee in so doing, including fees and expenses of Mortgagee's counsel (all of which shall constitute so much additional Indebtedness secured hereby with interest at the Default Rate until paid); and

(d) Mortgagor shall pay such Contested Lien and all Lien Amounts together with interest and penalties thereon (i) if and to the extent that any such Contested Lien shall be determined adverse to Mortgagor, or (ii) forthwith upon demand by Mortgagee, if, in the opinion of Mortgagee, and notwithstanding any such contest, the Mortgaged Property shall be in jeopardy or in danger of being forfeited or foreclosed; provided, that if Mortgagor shall fail so to do, Mortgagee shall have the right and option (but shall not be required or obligated) to pay all such Contested Liens and Lien Amounts, and interest and penalties thereon, and such other sums as may be necessary in the judgment of Mortgagee to obtain the release and discharge of such liens; and any amounts expended by Mortgagee in so doing shall be so much additional Indebtedness secured hereby, with interest at the Default Rate until paid.

10.21 Trustee's Exculpation. This Mortgage is executed by AMALGAMATED TRUST AND SAVINGS BANK, not personally but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in said Trustee (and said Trustee hereby represents and warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in the Note

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shall be construed as creating any liability on said Trustee personally to perform any covenants, either express or implied, herein contained or with regard to any warranty contained herein (except the warranty relating to the authority of said Trustee to execute this Mortgage) all such personal liability, if any, being expressly waived with respect to said Trustee, but nothing in the preceding portions of this paragraph shall be construed in any way as to affect or impair the lien of this Mortgage, or Mortgagee's right to exercise any of its rights and remedies hereunder, or be construed in any way so as to limit or restrict any of the rights and remedies of Mortgagee hereunder in any proceedings to enforce payment of the Indebtedness secured hereby out of and from the security given therefor in the manner provided herein, in the Note and other instruments given to secure the Note, and further shall not in any way be construed to restrict or limit Mortgagee's absolute right to enforce personal liability against any co-maker, guarantor or guarantors or any other instrument given to secure the Indebtedness secured hereby.

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

AMALGAMATED TRUST AND SAVINGS BANK, not personally but as Trustee under Trust Agreement dated June 21, 1984 and known as Trust No. 4951

ATTEST: [SEAL]

By: Sally Doubet King
Name: Sally Doubet King
Title: Assistant

By: [Signature]
Name: Irving B. Polakow
Title: Vice President

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TRUSTEE'S ACKNOWLEDGMENT

STATE OF IL)
COUNTY OF COOK) SS

I, CRYSTAL B. ASHLEY, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Irring B. Polakow and SALLY DOUBET KING, the Treasurer and Asst. Vice President, respectively, of AMALGAMATED TRUST AND SAVINGS BANK, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers, 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 bank, not personally but as Trustee as aforesaid, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 5 day of May, 1988.

Crystal B. Ashley
Notary Public

My Commission Expires:

_____, 19____

" OFFICIAL SEAL "
CRYSTAL B. ASHLEY
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 3/18/92

This instrument was prepared by and .
after recording should be mailed to:

Mark S. Litner, Esq.
COFFIELD UNGARETTI HARRIS & SLAVIN
3500 Three First National Plaza
Chicago, Illinois 60602



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EXHIBIT A

Legal Description

PARCEL 1:

LOT 3 (except the Southwesterly 1.04 feet thereof);

LOT 7;

That part of Lot 8 described as follows:

Beginning at the Northeast corner of Lot 10; thence North 0 Degrees 15 Minutes 50 Seconds East on the East line of Lot 10 extended North a distance of 6.5 feet; thence North 89 Degrees 44 Minutes 10 Seconds West a distance of 15 feet to the West line of Lot 8; thence South 0 Degrees 15 Minutes 50 Seconds West a distance of 6.5 feet to the North line of Lot 10; thence South 89 Degrees 44 Minutes 10 Seconds East a distance of 15.0 feet to the point of beginning.

LOT 9 (except the South 8.5 feet of the East 18.25 feet of the West 33.0 feet thereof, also except the North 1.00 feet of the South 9.5 feet of the East 18.25 feet of the West 33.0 feet thereof, also except the South 1.00 feet of the East 241 feet thereof);

LOTS 10 through 17, both inclusive, and

Outlots A & B

All of the above in the Landings Planned Unit Development, a Subdivision of part of the Southwest 1/4 of Section 19, Township 36 North, Range 15 East of the Third Principal Meridian, according to the plat thereof recorded on August 15, 1985 as Document No. 85,148,127 in Cook County, Illinois.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED EXCEPTION PARCELS A, B, C, D, E AND F:

EXCEPTION PARCEL A:

A North and South 30 foot wide roadway of uniform width being a tract of land with its East and Southeasterly line described as follows, said 30 foot wide roadway lying to the West and Northwest of that part of Outlot A in the Landings Planned Unit Development being a subdivision of part of the Southwest 1/4 of Section 19, Township 36 North, Range 15 East of the Third Principal Meridian described as beginning at a point on the North line of Outlot A, said point being at the Northeast corner of said Outlot A; thence South 0 Degrees 15 Minutes 50 Seconds West on the East line of said Outlot A, a distance of 794.45 feet to a point on the Northwesterly right of way line of the Public Service Company of Northern Illinois, said point being on the Southeasterly line of Outlot A; thence South 25 Degrees 22 Minutes 17 Seconds West on the last described line, a distance of 226.44 feet to a bend point in Outlot A; the following 3 courses being on the Southeasterly line of Outlot A; thence South 25 Degrees 14 Minutes 34 Seconds West a distance of 894.67 feet; thence South 0 Degrees 03 Minutes 26 Seconds West a distance of 7.18 feet; thence South 25 Degrees 29 Minutes 28 Seconds West, a distance of 499.73 feet to the most Southeasterly corner of Outlot A, said point being on the North line of 170th Street in Cook County, Illinois.

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EXCEPTION PARCEL B:

That part of Outlot A and Outlot B in the Landings Planned Unit Development being a subdivision of part of the Southwest 1/4 of Section 19, Township 36 North, Range 15 East of the Third Principal Meridian, bounded and described as follows:

Beginning at the point of intersection of the North line of Outlot A, said North line being a line 2319.72 feet North of and parallel with the South line of said Southwest 1/4, and the East right of way line of Torrence Avenue, being the Westerly line of said Outlot A extended Northerly; thence South 89 Degrees 44 Minutes 10 Seconds East on the North line of Outlot A and B a distance of 1285.31 feet; thence South 64 Degrees 37 Minutes 43 Seconds East a distance of 287.48 feet to the Southeasterly line of Outlot B, being the Northwesterly right of way line of Public Service Company of Northern Illinois; thence South 25 Degrees 22 Minutes 17 Seconds West on the last described line a distance of 66.0 feet; thence North 64 Degrees 37 Minutes 43 Seconds West a distance of 291.10 feet to a point of curve; thence Northwesterly on the arc of a circle convex to the Northeast, having a radius of 267.0 feet and an arc distance of 117.00 feet to a point of tangent; thence North 89 Degrees 44 Minutes 10 Seconds West parallel to the North line of Outlot A, a distance of 1142.69 feet (the last described line being 33.0 feet South of and parallel with the North line of Outlot A) to the Easterly right of way line of Torrence Avenue aforesaid; thence North 3 Degrees 40 Minutes 10 Seconds East on said Easterly right of way and said line extended a distance of 33.06 feet to the point of beginning, all in Cook County, Illinois.

EXCEPTION PARCEL C:

That part of Outlot A in the Landings Planned Unit Development being a subdivision of part of the Southwest 1/4 of Section 19, Township 36 North, Range 15 East of the Third Principal Meridian, described as follows:

Commencing at the point of intersection of the North line of Outlot A, said North line being a line 2319.72 feet North of and parallel with the South line of said Southwest 1/4, and the East right of way line of Torrence Avenue being the Westerly line of said Outlot A extended Northerly; thence South 3 Degrees 40 Minutes 10 Seconds West on the Westerly line of said Outlot A, a distance of 436.88 feet; thence South 3 Degrees 12 Minutes 32 Seconds West on the Westerly line of said Outlot A, a distance of 383.14 feet to a point on a line 818.75 feet South of and parallel to the North line of said Outlot A for the point of beginning of the center line of a 50 foot wide roadway 25 feet on either side of the following described line; thence North 86 Degrees 44 Minutes 21 Seconds East a distance of 386.31 feet; thence South 89 Degrees 44 Minutes 10 Seconds East a distance of 545.06 feet to the Easterly end of said 50 foot roadway, in Cook County, Illinois.

EXCEPTION PARCEL D:

That part of Outlot A in the Landings Planned Unit Development bounded and described as follows:

Beginning at the most Southeasterly corner of Lot 1 aforesaid, thence South 25 Degrees 14 Minutes 34 Seconds West on the Southwesterly prolongation of the Easterly line of said Lot 1, a distance of 50.0 feet; thence North 64 Degrees 45 Minutes 26 Seconds West a distance of 93.0 feet; thence South 25 Degrees 14 Minutes 34 Seconds West a distance of 82.32 feet; thence North 37 Degrees 48 Minutes 25 Seconds West a distance of 5.61 feet to an angle point of said Lot 1; thence North 25 Degrees 14 Minutes 34 Seconds East on a line of said Lot 1, a distance of 129.78 feet to an angle point of said Lot 1; thence South 64 Degrees 45

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Minutes 26 Seconds East on a line of said Lot 1, a distance of 98.0 feet to the point of beginning.

EXCEPTION PARCEL E:

That part of Outlot A in the Landings Planned Unit Development bounded and described as follows:

Beginning at the Northwesterly corner of Lot 1 aforesaid, thence North 64 Degrees 45 Minutes 26 Seconds West on the Northwesterly prolongation of the Northerly line of said Lot 1 a distance of 7.0 feet; thence South 25 Degrees 14 Minutes 34 Seconds West a distance of 180.0 feet to a point on a line of said Lot 1; thence South 64 Degrees 45 Minutes 26 Seconds East on a line of said Lot 1 a distance of 7.0 feet to an angle point of said Lot 1; thence North 25 Degrees 14 Minutes 34 Seconds East on a line of said Lot 1 a distance of 180.0 feet to the point of beginning.

EXCEPTION PARCEL F:

That part of Outlot A described as follows:

Commencing at the most Southwesterly corner of Lot 9; thence South 89 Degrees 44 Minutes 10 Seconds East in the South line of Lot 9 a distance of 14.75 feet to the point of beginning, thence continuing South 89 Degrees 44 Minutes 10 Seconds East a distance of 3.25 feet to the west line of Lot 8; thence South 0 Degrees 15 Minutes 50 Seconds West a distance of 168.5 feet; thence North 89 Degrees 44 Minutes 10 Seconds West a distance of 3.25 feet; thence North 0 Degrees 15 Minutes 50 Seconds East a distance of 168.5 feet to the point of beginning, all in the Landings Planned Unit Development, being a subdivision of part of the Southwest Quarter of Section 19, Township 36 North, Range 15 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

Easements appurtenant to and for the benefit of Parcel 1 for the purposes of parking, ingress and egress, passage and accommodation of pedestrians, "Common Utility Facilities" and for "Common Area Improvements", as set forth, defined and limited in Section 2.2(a), 2.2(b), 2.2(c), 2.3 and 2.5 of that certain Declaration of Reciprocal Easements and Operating Covenants recorded August 16, 1985 as Document No. 85,149,037, as amended by First Amendment to said Declaration, recorded December 18, 1985 as Document No. 85,329,731, and as further amended by Second Amendment to said Declaration, recorded March 11, 1988 as Document No. 88,103,519, and as modified by Assumption Agreements recorded October 2, 1985 as Document 85,216,669, October 15, 1985 as Document No. 85,235,392, October 15, 1985 as Document No. 85,235,396, August 16, 1985 as Document No. 85,149,097 and August 16, 1985 as Document No. 85,149,098, over and across "Common Areas" as that term is defined and limited therein, excepting from said "Common Areas" those portions thereof falling within Parcel 1 hereinabove.

PARCEL 3:

Easements appurtenant to and for the benefit of Parcel 1 for all "construction", as defined in Section 4.1; maintenance and repair of Parcel 1 improvements and for storage of materials and equipment as set forth, defined and limited in Section 4.5 of the Declaration set forth in Parcel 2 hereinabove, as amended and assumed, over and across "Common Areas" as that term is defined and limited therein, excepting from said "Common Areas" those portions thereof falling within Parcel 1 hereinabove and/or falling within Lots 4 or 5 in said Landings Planned Unit Development.

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Permanent Tax Numbers: 30-19-300-014 Volume: 225

(Affects Lot 3)

30-19-300-018
(Affects Lot 7)

30-19-300-019
(Affects Lot 8)

30-19-300-020
(Affects Lot 9)

30-19-300-021
(Affects Lot 10)

30-19-300-022
(Affects Lot 11)

30-19-300-023
(Affects Lot 12)

30-19-300-024
(Affects Lot 13)

30-19-300-025
(Affects Lot 14)

30-19-300-026
(Affects Lot 15)

30-19-300-027
(Affects Lot 16)

30-19-300-028
(Affects Lot 17)

30-19-300-029
(Affects Outlot A)

30-19-300-030
(Affects Outlot B)

Common Address:

The Landings Shopping Center
the northeast corner of Torrence Avenue
(Route 83) and 170th Street
Lansing, Illinois

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EXHIBIT _____

Permitted Exceptions

1. General Real Estate Taxes not yet due and payable.
2. An easement for the purposes stated herein:
In favor of: Commonwealth Edison Company
For: Electrical transmission lines and incidental purposes
Recorded: November 14, 1969 Document: 21013007
Affects: : The Southeasterly 11 feet (measured perpendicularly to the Northwesterly right-of-way line of the Commonwealth Edison Company right-of-way) of that part of the Southwest 1/4 of Section 19 lying Westerly of the Northwesterly right-of-way line of the Commonwealth Edison Company right-of-way.
3. Terms, conditions and provisions affecting the easements described in Schedule A in the instruments creating said easements.
4. Rights of the adjoining owners to the concurrent use of said easements.
5. Terms, provisions, easements, covenants, conditions and restrictions contained in the Declaration of Reciprocal Easements and Operating Covenants dated July 31, 1985 and recorded August 16, 1985 as Document No. 85,149,087, as amended by First Amendment to said Declaration, recorded December 18, 1985 as Document No. 85,329,731, and as further amended by Second Amendment to said Declaration, recorded March 11, 1988 as Document No. 88,103,519.

Assumption Agreements as follows, under which the named party assumes the obligations of a "Party" to said Declaration, to wit:

NAMED PARTY:	RECORDED:	DOCUMENT:
Toys "R" Us, Inc.	October 2, 1985	85,216,669
Homeowners Warehouse, Inc.	October 15, 1985	85,235,392
Service Merchandise Company, Inc.	October 15, 1985	85,235,396
American National Bank and Trust Company of Chicago, Trust No. 65120	August 16, 1985	85,149,097
Highland Superstores, Inc.	August 16, 1985	85,149,098

6. An easement in favor of the Commonwealth Edison Company and the Illinois Bell Telephone Company for pole lines, conduits and incidental purposes.
Recorded: April 30, 1986 Document: 86,169,997
Affects: : See Document for particulars

7. Mechanic's lien claim and rights of parties claiming by, through and under said claimant.
Lien Claimant: E. J. DePaoli Company
Obligee: Novus, Inc. and Lansing Landings Shopping Center Ltd.
Amount: \$354,674.78
Recorded: April 17, 1986 Document: 86,149,562
Work completed: February 27, 1986

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8. Proceedings pending in the suit noted below, but which we have not examined for legal sufficiency

Plaintiff: E. J. Paoli Company
Defendant: Novus, Inc. and Lansing Landings Shopping Center Ltd.
Case : 86 CH 3813
Subject: Foreclosure of Mechanics Lien

Lis Pendens Notice.

Recorded: May 16, 1986 Document: 86,196,154
Case Number: 86 CH 3813

9. Mechanic's lien claim and rights of parties claiming by, through and under said claimant.

Lien Claimant: Byus Construction, Inc.
Obligee: Film Processing Associates and Zayre Corporation
Amount: \$17,330.59
Recorded: April 5, 1988 Document: 88,138,851
Work completed: March 8, 1988

10. An Assignment of rents.

Assignor: Amalgamated Trust and Savings Bank, as Trustee under Trust Agreement dated June 21, 1984 and known as Trust No. 4951
Assignee: The Travelers Insurance Company, a Connecticut corporation
Recorded: Document:

11. A security interest in certain real chattels affixed to the land as disclosed by the following financing statement noted herein.

Secured Party: The Travelers Insurance Company, a Connecticut corporation
Debtor: Amalgamated Trust and Savings Bank, as Trustee under Trust Agreement dated June 21, 1984 and known as Trust No. 4951
Recorded: Document:

12. A security interest in certain real chattels affixed to the land as disclosed by the following financing statement noted herein.

Secured Party: The Travelers Insurance Company, a Connecticut corporation
Debtor: Lansing Landings Shopping Center Partnership, Ltd., an Illinois limited partnership
Recorded: Document:

13. Encroachments, as disclosed on Plat of Survey by Robert A. Nowicki & Associates, Ltd., dated May 13, 1988, Order 38714 and 48809, by improvements primarily on the land, onto adjoining land, as follows:

- (a) By 1 story store on Lot 3 onto adjoining land to the South by approximately 0.60 feet;
- (b) By building primarily on Lot 10 onto adjoining land to the East by approximately 0.20 feet;
- (c) By said building primarily on Lot 10 onto adjoining land to the North (being part of Exception Parcel F) by approximately 0.5 feet;
- (d) By 1 story store in the Southwest corner of Lot 9 onto adjoining land to the East (being part of Lot 8), by approximately 0.16 feet;

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14. Encroachments, as disclosed by said Survey, of improvements primarily on adjoining property, onto the land, as follows:

- (i) By enclosed entryway attached to 1 story store on Lot 2 onto Outlot A of the land, by approximately 4 feet;
- (ii) By 1 story store on Lot 8 onto Outlot A of the land, by approximately 0.26 feet to 0.37 feet along the East line of said Lot 8.

15. 8 inch block wall of uncertain ownership, lying partly within the land and partly on adjoining land (which wall is entirely within Lot 8), as shown on said Survey.

16. Rights of the State of Illinois, the municipality and the public in and to that part of the "Center Roadway" which is both West of a line drawn from the Southeast corner of Lot 14 to the Northeast corner of Lot 15 and was not conveyed to the Village of Lansing by Document Number 86,313,332, and to all traffic control equipment related to said Roadway.

17. Anything in this policy and endorsements thereto notwithstanding, the liability of the Company under said policy shall not exceed the sum of \$20,960,000.00 (being the amount actually disbursed of the proceeds of the loan secured by the mortgage described in Schedule A at the date of said policy) and costs which the Company is obligated under the Conditions and Stipulations thereof to pay, but such liability shall be increased by the sum of each subsequent disbursement made under said mortgage up to the face amount of the policy; subject, however, with respect to each increase, to any defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date of the loan policy or last date-down endorsement, but prior to the effective date of a date-down endorsement covering the date or each disbursement.

18. An Assignment of Management Agreement.

Assignor: Amalgamated Trust and Savings Bank, as Trustee under Trust Agreement dated June 21, 1984 and known as Trust No. 4951

Assignee: The Travelers Insurance Company, a Connecticut corporation

Recorded: Document:

19. An Assignment of Operating Agreement.

Assignor: Amalgamated Trust and Savings Bank, as Trustee under Trust Agreement dated June 21, 1984 and known as Trust No. 4951

Assignee: The Travelers Insurance Company, a Connecticut corporation

Recorded: Document:

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