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MORTGAGE

HIRO REAL ESTATE CO.

-to-

THE DAI-ICHI KANGYO BANK, LIMITED.
New York Branch

Location: 20 North Clark Street
Chicago, Illinois

Dated as of September 3, 1987

This instrument prepared by and
after recording, please return to:

WINTHROP, STIMSON, PUTNAM & ROBERTS
40 Wall Street
New York, New York 10005
Attention: Harold S. Nathan, Esq.

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MORTGAGE

THIS MORTGAGE, made the 3rd day of September, nineteen hundred and eighty-seven between HIRO REAL ESTATE CO., a New York partnership having an office at 650 Madison Avenue, New York, New York 10022 (the "Mortgagor"), and THE DAI-ICHI KANGYO BANK, LIMITED, a banking corporation having a New York Branch at One World Trade Center, New York, New York 10048 (the "Mortgagee").

WITNESSETH, that (a) to secure the payment of the following (all of which is herein called the "Indebtedness"): (i) all sums owing under this Mortgage, and (ii) all indebtedness pursuant to a certain Loan Agreement of even date herewith between the Mortgagor and the Mortgagee (the "Agreement") evidenced by a certain note of even date herewith (the "Note") in a principal amount not to exceed \$48,000,000, lawful money of the United States or the Equivalent Amount (as defined in the Agreement) thereof, to be paid with interest thereon computed from the date hereof as provided in the Agreement and the Note; the unpaid balance of principal, together with accrued interest thereon, to be due and payable in installments as provided in the Note, the last of which is due and payable on August 31, 2005 and (b) to secure the performance and observance by the Mortgagor of the provisions of the Note, the Agreement and this Mortgage;

The Mortgagor hereby grants, releases, assigns, conveys, transfers, mortgages, pledges and sets over to the Mortgagee, its successors and assigns, all and singular, the property described as follows:

I

ALL of the Mortgagor's right title and interest in and to certain plot, piece or parcel of land (the "Land"), together with the building and improvements thereon or thereafter erected (the "Building"), situated, lying or being in the County of Cook, the City of Chicago and the State of Illinois, and known by the street address 20 North Clark Street, Chicago, Illinois, the Land being more particularly described in Exhibit A annexed hereto and made a part hereof.

TOGETHER with the appurtenances and all the estate and rights of the Mortgagor, at any time acquired, in and to the Land and Building.

TOGETHER with all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the Land and Building and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

II

ALL right, title and interest of the Mortgagor in and to all apparatus, fixtures and articles of personal property new or hereafter attached to or used or procured for use in connection with the operation or maintenance of the Building, including, but without limiting the generality of the foregoing, all engines, furnaces, boilers, stokers, pumps, heaters, tanks, dynamos, motors, generators, switch-boards, electrical equipment, heating, plumbing, lifting and ventilating apparatus, air-cooling and air conditioning apparatus, gas and electric fixtures, elevators, escalators, fittings, and machinery and all other equipment of every kind and description, used or procured for use in the operation of the Building (except apparatus, fixtures, articles of personal property or trade fixtures belonging to subtenants or occupants of the Building), together with any and all replacements thereof and additions thereto (the foregoing being collectively referred to herein as the "Building Service Equipment").

III

ALL right, title, and interest of Mortgagor in and to all furniture, furnishings, decorations, chattels and other personal property now or hereafter in, on or at the Building (except for trade fixtures, furniture and furnishings belonging to subtenants or occupants of the Building) (the foregoing, except as aforesaid, being collectively referred to herein as the "Furnishings").

IV

ALL the right, title and interest of the Mortgagor in and to all unearned premiums accrued, accruing or to accrue under any and all insurance policies now or hereafter obtained by the Mortgagor pursuant to the provisions of this Mortgage and, all proceeds of such insurance policies, all of which proceeds are hereby assigned to the Mortgagee, with the

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right to apply the same towards the payment of any sum owing on account of the Indebtedness, notwithstanding the fact that the amount owing thereon may not then be due and payable.

V

All leases, subleases or underlettings (each a "Lease") now existing or hereafter entered into by the Mortgagor, and all rights and benefits derived or to be derived by the Mortgagor therefrom, including, without limitation, any income derived therefrom and all security deposits made by the tenants and/or licensees thereunder.

VI

All of the rents, income, receipts, revenues, issues, benefits and profits of the Mortgaged Property (as hereinafter defined) pursuant to agreements now or hereafter entered into covering all or any portion of the Mortgaged Property.

VII

All air rights, water rights and similar rights appurtenant to, affecting, located on or used in connection with the Land or the Building, whether now existing or hereafter acquired.

ALL of the foregoing described property, rights, privileges, interest and franchises hereby granted and released, assigned, conveyed, transferred, mortgaged, pledged and set over, or intended so to be, being hereinafter, collectively, referred to as the "Mortgaged Property".

TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee, its successors and assigns.

Provided always that if the Mortgagor shall pay or cause to be paid to the Mortgagee the Indebtedness, and the other charges mentioned and set forth herein, at the time, or time, and in the manner set forth in the Agreement and the Note and also complied with all the other terms of the Agreement and the Note and this Mortgage, then and from thenceforth these presents and the estate hereby granted shall cease, determine and be void and the Mortgagee shall

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execute and deliver to the Mortgagor a release (in recordable form) of the Property from the lien of the Mortgage.

The Mortgagor represents, covenants and warrants to and with the Mortgagee:

(a) that the Mortgagor warrants that it is the lawful owner of fee title to the Mortgaged Property; this title is good, marketable and indefeasible title to the Mortgaged Property;

(b) that the Mortgaged Property now is free and clear of all encumbrances whatsoever except the Permitted Encumbrances, as such term is defined in the Agreement, and that the Mortgagor has good right and lawful authority to mortgage and convey the same in the manner and form hereby mortgaged and conveyed;

(c) that (i) the Mortgagor has not heretofore assigned the rents, income, receipts, revenues, issues, benefits or profits described in granting clauses I to VII hereof; (ii) the Mortgagor will maintain and preserve the priority of the lien of this Mortgage until the Indebtedness has been paid in full; (iii) the Mortgagor has good, right and lawful authority to mortgage and assign the Mortgaged Property as provided in and by this Mortgage; and (iv) the Mortgagor will preserve such title and will warrant and defend the same against any and all claims and demands whatsoever.

AND the Mortgagor further covenants with the Mortgagee as follows:

1. That the Mortgagor will pay the Indebtedness as hereinbefore described when due, in each case without notice or demand (except as provided herein) and without deduction or off-set.

2. That the Mortgagor will make prompt payment of the real estate taxes, assessments, sewer rents, water rents and other charges and impositions payable by the Mortgagor, as landlord.

3. That the Mortgagor shall at all times maintain:

(A) (i) policies of insurance insuring the Mortgaged Property against: (a) loss or damage by fire and lightning, (b) loss or damage by other risks embraced by

coverage of the type now known as the broad form of extended coverage, including but not limited to riot and civil commotion, vandalism, earthquake and malicious mischief, and (c) loss or damage by such other risks or hazards as Mortgagee may from time to time designate, such insurance to be in an amount sufficient to prevent the Mortgagee or the Mortgagor from becoming a co-insurer under the terms of the applicable policies, but in any event in an amount not less than one hundred percent (100%) of the then full replacement cost of the Building, without deduction for physical depreciation, all such policies to include an endorsement for the cost of demolition and removal of undamaged structures;

(ii) if the Mortgaged Property is ever within a flood plain or should be designated as having flood hazards pursuant to the Flood Disaster Protection Act of 1973: flood insurance upon the Mortgaged Property in the event that such insurance is available pursuant to the provisions of the Flood Disaster Protection Act of 1973 or other applicable legislation;

(iii) comprehensive general liability insurance, including umbrella liability insurance, covering all claims for bodily injury, including death, and property damage occurring on, in or about the Mortgaged Property; and

(iv) such other insurance in respect of the Mortgaged Property as the Mortgagee may require, including but not limited to boiler and machinery, war risk insurance, rent or use and occupancy or rental value insurance.

(B) All policies for such insurance shall be issued by companies approved by the Mortgagee in its reasonable discretion, shall be subject to the approval of the Mortgagee as to the amount, content, form and expiration date, shall require thirty (30) days' prior written notice to the Mortgagee of cancellation or modification, shall contain (except in the case of workers' compensation insurance) a NonContributory Standard Mortgagee Clause and the Lender's Loss Payable Endorsement Form in favor of the Mortgagee and shall provide that the proceeds thereof shall be payable to the Mortgagee. A loss, if any, under the insurance required hereunder shall be adjusted with the insurance company by the Mortgagor and the Mortgagee. All monies which the Mortgagor would otherwise be entitled to receive under any casualty shall be delivered to and held by the Mortgagee pursuant to the terms hereof, provided that so long as no Event of Default under this Mortgage has occurred and is continuing,

the Mortgagor may receive proceeds relating to claims of \$500,000 or less provided such proceeds are applied solely to the repair and restoration of the Mortgaged Property. The Mortgagor shall furnish the Mortgagee with a certificate by the insurance carrier of each policy required to be provided by the Mortgagor hereunder (and, at the Mortgagee's request, a certified copy of any such policy). At least twenty (20) days prior to expiration of any policy or binder required to be provided by the Mortgagor hereunder, the Mortgagor shall furnish to the Mortgagee a certificate or binder continuing in force the insurance required hereunder. The Mortgagor shall furnish to the Mortgagee evidence of payment of premiums on such insurance policies reasonably satisfactory to the Mortgagee. In the event that the Mortgagor does not deposit with the Mortgagee a new certificate or binder with evidence of payment of premium thereon at least twenty (20) days prior to the expiration of an expiring policy, then the Mortgagee may, but shall not be obligated to, procure such insurance and the Mortgagor shall repay to the Mortgagee the premiums thereon upon demand, together with interest thereon at the Mortgage Expense Rate. All amounts so expended by the Mortgagee shall be deemed part of the Indebtedness and shall be secured by this Mortgage.

(C) The Mortgagor agrees to execute such further assignments of the insurance proceeds as the Mortgagee may require to confirm the Mortgagee's interest therein pursuant to this Mortgage. No such application of insurance proceeds shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. In the event of the 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 the Mortgagor in and to any insurance policy, premiums paid thereunder, payments in satisfaction of claims or any other rights thereunder then in force shall pass to the purchaser or grantee notwithstanding the amount of any bid at such foreclosure sale.

(d) The fact that the Mortgagee may at any time be holding, pursuant to the provisions of this Mortgage, insurance proceeds received by the Mortgagee with respect to damage to the Mortgaged Property shall not prevent the accrual of interest as provided herein or in the Agreement or the Note on any portion of the Indebtedness until such insurance proceeds may be applied to the payment of the Indebtedness pursuant to the provisions of this Mortgage.

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(e) The Mortgagor shall give prompt written notice to the Mortgagee of the happening of any casualty to the Mortgaged Property whether or not insured against, where the estimated cost of repairs to the Mortgaged Property exceeds \$200,000.

4. That except for removal, demolition or alteration required by governmental authorities or in connection with tenant improvements made in the ordinary course of business, the Mortgagor shall not remove, demolish or materially alter nor allow the removal, demolition or material alteration of all or any part of the Building without the prior written consent of the Mortgagee in each instance which consent may be given or withheld in the Mortgagee's discretion. Notwithstanding the foregoing, the Mortgagor shall have the right to construct additions to the Building, subject to (a) approval by the Mortgagee of the plans and specification therefor, which approval the Mortgagee agrees will not be unreasonably withheld or delayed, and (b) compliance by the Mortgagor with all applicable laws.

5. The Mortgagor hereby represents and warrants to the Mortgagee that:

(a) the Mortgagor is duly formed and is validly existing as a general partnership under the laws of New York, has full power to carry on its business as now being conducted and to enter into and perform its obligations under the Agreement, the Note and this Mortgage and has complied with all statutory and other requirements relative to such business;

(b) all necessary action has been taken to authorize, and all necessary consents and authorizations have been obtained to permit, the Mortgagor to enter into and perform its obligations under the Agreement, the Note and this Mortgage and to borrow, service and repay the Indebtedness and, as of the date of this Mortgage, no further consents or authorizations are necessary for the service and repayment of the Indebtedness or any part thereof;

(c) the Agreement, the Note, and this Mortgage constitute the legal, valid and binding obligations of the Mortgagor enforceable, in accordance with their terms;

(d) the execution and delivery of, and the performance of the provisions of, the Agreement and this

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Mortgage by the Mortgagor do not, and will not, contravene any applicable law or regulation existing at the date hereof or any contractual restriction binding on the Mortgagor or the constitutive documents of the Mortgagor;

(e) the Mortgagor is not in default under any agreement by which it is bound, nor is it in default in respect of any financial commitment or obligation;

(f) there are in effect a valid permanent Certificate of Occupancy for the Mortgaged Property and all other certificates, permits, licenses and approvals required for the use, occupancy and maintenance of the Land and the Building by any government agency having authority over the Mortgaged Property;

(g) the Mortgaged Property is insured in accordance with the provisions of this Mortgage and the requirements hereof which such insurance will have been complied with;

6. Pursuant to the Assignment (as defined in the Agreement), the Mortgagor hereby assigns to the Mortgagee the Leases and all rents, issues and profits of the Mortgaged Property as further security for the payment of the Indebtedness, and the Mortgagor grants to the Mortgagee the right to give notice to any payor of such rents, issues and profits to pay such to the Mortgagee and the right to enter upon and to take possession of the Mortgaged Property for the purpose of collecting the same and to let the Mortgaged Property or any part thereof, and to take such other action in respect of the Leases as the Mortgagee, in its discretion, deems necessary or advisable to protect its security hereunder, and to apply the rents, issues and profits, after payment of all necessary charges and expenses, on account of the Indebtedness. This assignment and grant shall continue in effect until this Mortgage is paid.

7. The Mortgagor hereby covenants and undertakes with the Mortgagee that, from the date hereof and so long as any principal, interest or other monies are owing in respect of the Indebtedness:

(A) The Mortgagor will duly perform and observe, and procure the observance and performance by all other parties thereto (other than the Mortgagee) of, the terms of the Agreement, the Note and the Security Documents (as defined in the Agreement).

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(B) The Mortgagor will not without the prior written consent of the Mortgagee create, assume or permit to exist any mortgage, pledge, lien, charge, encumbrance or any security interest whatsoever upon the Mortgaged Property except:

- (i) liens for taxes not yet payable;
- (ii) this Mortgage, the Assignment and the UCC-1 Financing Statement (as defined in the Agreement);
- (iii) the Permitted Encumbrances; and
- (iv) mechanic's liens incurred in the ordinary course of business.

(C) The Mortgagor will not commit or permit waste of the Mortgaged Property or any part thereof and will keep and maintain at its own expense the Building and the Building Service Equipment in a good condition and state of repair. The Mortgagor shall do and perform all such further improvements, maintenance and repair work as required under the Leases. The Mortgagor will neither do nor permit to be done to the Mortgaged Property or any part thereof anything that may limit the permissible uses or impair the value thereof or that may violate any covenant, condition or restriction affecting the same nor permit any change therein or in the condition or use thereof which will increase the danger of fire or other hazard arising out of the operation thereof. No Building Service Equipment shall be removed from the Building without the prior written consent of the Mortgagee, except where appropriate replacements free of superior title, liens or claims to the lien of this Mortgage or any financing statement filed by Mortgagee are immediately made, which replacements are of value and quality at least equal to the value and quality of the items removed. The Mortgagee, its authorized employees and its agents may enter and inspect the Mortgaged Property upon reasonable notice during usual business hours, and the Mortgagor shall, within thirty (30) days after demand by the Mortgagee (or immediately upon demand in case of emergency), make such repairs, replacements, renewals or additions, or perform such maintenance, to the Mortgaged Property as the Mortgagee may reasonably require in order to cause the Mortgaged Property to comply with the above standards.

8. That the whole of the Indebtedness shall become due at the option of the Mortgagee upon the occurrence of any of the following (each an "Event of Default"):

(a) any principal of or interest on the Note or any other amount becoming payable under this Mortgage, the Agreement or the Note is not paid within five (5) days of the due date or date of demand (as the case may be); or

(b) any representation or warranty made by the Mortgagor or any Guarantor (as defined in the Agreement), this Mortgage or other instrument, document, or agreement delivered in connection herewith or therewith proves to have been incorrect when made in any material respect; or

(c) any of the statements made by the Mortgagor in the Agreement prove to be incorrect and the Mortgagee reasonably concludes that, by reason thereof, the Mortgagor will be unable to perform its obligations under the Note, the Agreement and this Mortgage; or

(d) it becomes impossible or unlawful for the Mortgagor or any Guarantor to fulfill any of the covenants and obligations contained in the Agreement or this Mortgage or for the Mortgagee to exercise the rights or any of them vested hereunder or under any Guarantee (as defined in the Agreement) and the Mortgagee considers that such impossibility or illegality will have a material adverse effect on its rights under this Mortgage or the enforcement thereof; or

(e) the Mortgagor or any Guarantor defaults in performance of any term, covenant or agreement contained in the Agreement, the Note, this Mortgage, any Guarantee or any of them, or other instrument, document or agreement delivered in connection herewith or therewith, or there occurs any other event which constitutes a default under any of the Note, this Mortgage or any Guarantee, in each case other than an Event of Default referred to elsewhere in this Section 8, and, if capable of remedy, such default continues unremedied for a period of thirty (30) days; or

(f) the Mortgagor or any Guarantor fails to make payment at stated maturity of any principal of or premium or interest on any material (in the opinion of the Mortgagee) indebtedness or obligation for borrowed money other than the Indebtedness or for the deferred purchase price of property, and any such failure shall continue for more than the period

of grace, if any, specified in the terms of such indebtedness or obligation, or otherwise agreed, and shall not have been remedied or waived pursuant thereto; or any mortgage or other security interest or charge present or future and created or assumed by the Mortgagor or any Guarantor shall become enforceable and the holder thereof shall take steps to enforce the same; or

(g) the Mortgagor, any partner of the Mortgagor, or any Guarantor defaults under any agreement or instrument (under circumstances other than elsewhere described in this Section 8) to which it is a party and such default has an adverse effect upon Mortgagor's ability to perform its obligations under the Agreement or permits the holders of any other indebtedness to accelerate the maturity thereof and is not cured or waived within the earlier of (i) the applicable grace period set forth in such agreement or instrument or (ii) thirty (30) days thereafter; or

(h) there is any material (in the opinion of the Mortgagee) change in the ownership or control of the Mortgagor and the Mortgagee has not prior thereto consented in writing to such change; or

(i) the Mortgagor, any partner of the Mortgagor or any Guarantor commences any proceeding relating to any substantial portion of its or his property under any reorganization, arrangement or readjustment of debt, dissolution, winding up, adjustment, composition, or bankruptcy or liquidation law or statute of any jurisdiction, whether now or hereafter in effect ("Proceeding"), or there is commenced against the Mortgagor or any of such Guarantors any Proceeding and such Proceeding remains undismissed or unstayed for a period of forty-five (45) days; or any receiver, trustee, liquidator, or sequestrator of, or for, any of the Mortgagor or such Guarantors or any substantial portion of the property of any thereof is appointed and is not discharged within a period of forty-five (45) days; or any of such Mortgagor or Guarantors by any act indicates consent to or approval of or acquiescence in any Proceeding or the appointment of any receiver, trustee, liquidator, or sequestrator of, or for, itself or himself or any substantial portion of its or his property; or

(j) the Mortgagor or any partner of the Mortgagor ceases its operations, sells or otherwise disposes of all or substantially all of its assets; or

(k) the Mortgagor shall fail to make any prepayment required by Clause 5.03 of the Agreement; or

(l) failure to comply with the terms and provisions of Section 3 hereof; or

(m) failure to exhibit to the Mortgagee, within ten (10) days after demand, receipts showing payment of all taxes, water rates, sewer rents and assessments; or

(n) failure to comply with the terms and provisions of Section 4 hereof; or

(o) failure to comply with any requirement in an order or notice of violation of law or ordinance issued by any governmental department claiming jurisdiction over the Mortgaged Property within the earlier of (i) the time period set forth therein for compliance or (ii) three (3) months from the issuance thereof; or

(p) refusal, upon application of the Mortgagee of two or more fire insurance companies lawfully doing business in the State of Illinois to issue policies insuring the Building; or

(q) after thirty (30) days' notice to the Mortgagor, the passage of any law deducting from the value of land for the purposes of taxation any lien thereon, or changing in any way the taxation of mortgages or debts secured thereby for state or local purposes, so as to affect this Mortgage; or

(r) any Transfer (as hereinafter defined), except as specifically permitted under Section 21; or

(s) the creation, assumption or sufferance of any mortgage, pledge, lien, charge, encumbrance or other security interest on the Mortgaged Property or any part thereof, except as specifically permitted in Section 7(B) hereof.

In addition to the right of the Mortgagee to declare the entire Indebtedness due and payable upon the occurrence of an Event of Default, the Mortgagee may take such other remedial action against the Mortgagor, the Mortgaged Property or any Guarantor as provided in this Mortgage, the Agreement, any Guaranty or any other agreement executed and delivered in connection herewith or therewith.

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9. That the holder of this Mortgage, upon the occurrence of an Event of Default, shall be entitled to the appointment of a receiver.

10. That in case of a foreclosure sale, the Mortgaged Property, or so much thereof as may be affected by this Mortgage, may be sold in one parcel.

11. That if any action or proceeding be commenced (except an action to foreclose this Mortgage or to collect the Indebtedness), to which action or proceeding the Mortgagee is made a party, or in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by the Mortgagee for the expense of any litigation to prosecute or defend the rights and lien created by this Mortgage (including reasonable counsel fees), shall be paid by the Mortgagor, together with interest thereon from the date of disbursement at the Mortgage Expense Rate, and any such sum and the interest thereon shall be deemed part of the Indebtedness and shall be secured by this Mortgage.

12. The Mortgagee may elect to cause the Mortgaged Property or any part thereof to be sold under the power of sale hereby granted in any manner permitted by applicable law. Should the Mortgagee elect to sell the Mortgaged Property, or any part thereof, the Mortgagee shall give such notice of default and election to sell as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, and without the necessity of any demand on the Mortgagor, the Mortgagee, at the time and place specified in the notice of sale, shall sell the Mortgaged Property or part thereof at public auction to the highest bidder as provided by law. The Mortgagee may from time to time postpone any sale hereunder by public announcement at the time and place of sale. Any person, including the Mortgagor or the Mortgagee, may purchase at any sale hereunder, and the Mortgagee shall have the right to purchase at any sale hereunder by crediting upon the bid price the amount of all or any part of the Indebtedness. Should the Mortgagee desire that more than one sale or other disposition of the Mortgaged Property be conducted, the Mortgagee may, at its option, cause the same to be conducted simultaneously or successively, on such days and in such order as the Mortgagee may deem to be in its best interest, and no such sale shall terminate or otherwise effect the lien of this Mortgage on any part of the Mortgaged Property not sold until all Indebtedness has been fully satisfied. Whether the Mortgagee

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elects to dispose of the Mortgaged Property through one or more sales, the Mortgagor agrees to pay the reasonable costs and expenses of each such sale and of any judicial proceedings wherein the same may be made, including reasonable compensation to the Mortgagee, its agents and counsel, and to pay all expenses, liabilities and advances made or incurred by the Mortgagee in connection with such sale or sales, with interest from the date of disbursement at the Mortgage Expense Rate, and such obligation shall be deemed part of the Indebtedness and shall be secured by this Mortgage.

13. In addition to any other remedies specified in this Mortgage, upon the occurrence of an Event of Default and at any time thereafter during the continuance thereof, the Mortgagee may, at its option, do any one or more or all of the following acts, as it in its sole and complete discretion may then elect, as to all or any portion of the Mortgaged Property:

(a) institute legal proceedings to foreclose upon and against the security interest in the Mortgaged Property granted hereunder to recover all amounts then due and owing as Indebtedness and to collect the same out of all or any part of the Mortgaged Property.

(b) institute legal proceedings for the appointment of a receiver of the Mortgaged Property pending sale or foreclosure or for sale of the Mortgaged Property under the order, judgment or decree of a court of competent jurisdiction or under other legal process.

(c) personally, or by agents or attorneys, enter into and upon the Mortgaged Property and take possession of all or any part thereof without notice, demand, process of law or legal procedure and take such other action as set forth in Section 6 hereof.

(d) exercise any other right, power, privilege or remedy which may be available to a secured party under the Uniform Commercial Code in effect in Illinois or any other applicable law.

14. If, and only if, the Mortgagee is required by applicable law to give prior notice to Mortgagor of any of the acts described in Section 12 or 13, the Mortgagor hereby covenants and agrees that a notice to it of at least five (5) business days before the date of any such act (or such longer

period as may be required by applicable law) shall be deemed to be reasonable notice of such act and, specifically, reasonable notification of the time and place of any public sale and the time after which any private sale or other intended disposition is to be made hereunder.

15. The Mortgagee, from time to time before any sale pursuant to Section 12 or 13, may rescind any notice of default or any election to cause the Mortgaged Property to be sold by executing and delivering to the Mortgagor a written notice of such rescission. The exercise by the Mortgagee of such right of rescission shall not constitute a waiver of any Event of Default then existing or subsequently occurring or impair the right of the Mortgagee to execute and deliver to the Mortgagor any other declaration of default and demand for sale and any notices of breach, default or of election to cause the Mortgaged Property to be sold to satisfy the obligations hereof, or otherwise affect any provision, covenant or condition of the Note, the Agreement or this Mortgage or any of the rights, obligations or remedies of the parties thereunder or hereunder.

16. At any time after an Event of Default, all sums held by the Mortgagee under this Mortgage, except as otherwise provided in Section 5, and the proceeds of any sale of all or any part of the Mortgaged Property or of any remedy afforded to Mortgagee by this Mortgage shall be paid and applied as follows:

First, to the payment of costs and expenses of foreclosure or suit, if any, and of the sale, and of the reasonable fees and expenses of the agents and attorneys for Mortgagee and of all proper expenses, liabilities and advances incurred or made pursuant to this Mortgage by the Mortgagee in connection with foreclosure, suit, sale or enforcement of this Mortgage;

Second, to the payment or discharge of all Indebtedness other than that specified in clause Third;

Third, to the payment to the Mortgagee of (i) the unpaid interest on the Note, then (ii) the unpaid principal of the Note; and

Fourth, to the payment of any surplus to the Mortgagor or to such entity or individual as may lawfully be entitled to receive same.

17. The Mortgagor, for itself and for all persons who hereafter become holder of liens junior to this Mortgage, hereby expressly waives and releases all rights (i) to direct the order in which any of the Mortgaged Property shall be sold in the event of any sale or sales pursuant hereto and (ii) to have any of the Mortgaged Property or any other Mortgaged Property now or hereafter constituting security for any of the Indebtedness marshalled upon any foreclosure of this Mortgage.

18. No remedy herein given or served to the Mortgagee is intended to be exclusive of any other remedy herein or otherwise provided, but each shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission of the Mortgagee to exercise any right or remedy accruing upon any Event of Default shall impair any right or remedy or shall be construed as a waiver of any Event of Default or any acquiescence therein. Every right and remedy given by this Mortgage to the Mortgagee may be exercised from time to time as often as may be deemed expedient by the Mortgagee. If there exists additional security for the performance of the obligations secured hereby, the Mortgagee at its sole option, and without limiting or affecting any of its rights or remedies hereunder, may exercise any of its rights or remedies hereunder either concurrently with whatever rights and remedies it may have in connection with such other security or in such order as it may determine. Any application of amounts held by the Mortgagee at any time as additional security hereunder for the Indebtedness shall not extend or postpone the due dates of any payment due on the Indebtedness, or change the amounts of any such payments or otherwise be construed to cure or waive any Event of Default or invalidate any act done pursuant to any such Event of Default.

19. Without affecting the liability of any person, including the Mortgagor, for the payment of the Indebtedness or for performance hereunder, or the lien of this Mortgage on the remainder of the Mortgaged Property for the satisfaction of the Indebtedness, the Mortgagee is respectively empowered as follows: (a) the Mortgagee may from time to time and without notice (i) release any person liable for the payment or performance of any of the Indebtedness, (ii) extend the time for payment of the Indebtedness or for performance hereunder, (iii) otherwise alter the terms of payment or performance hereunder or under the Note or the Agreement, (iv) accept additional real or personal property of any kind

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as security therefor, whether evidenced by mortgage, security agreement or any other instruments of security, (v) alter, substitute or release any property securing the Indebtedness provided, however, that the actions described in clauses (iii) and (v) shall require the consent of the Mortgagor; and (b) the Mortgagee may, from time to time, upon the written request of the Mortgagor, (i) join in granting any easement or creating any restriction on the Mortgaged Property, (ii) join in any subordination or other agreement affecting this Mortgage, or (iii) reconvey, without warranty, all or part of the Mortgaged Property.

20. To the fullest extent permitted by the applicable law, the Mortgagor waives all rights to insist upon, claim, plead, or take any benefit or advantage of, any appraisement, valuation, stay, extension, moratorium, redemption or similar law, or any statute of limitations, now or hereafter in force in order to prevent, delay or hinder the enforcement of this Mortgage or the absolute sale of any part or all of the Mortgaged Property or the possession thereof by any purchaser at any sale pursuant to this Mortgage.

21. That the Mortgagor shall not cause, permit or suffer the sale, assignment, lease, hypothecation, transfer or other disposition (whether by operation of law, contract or otherwise) of all or any part of the Mortgaged Property or the Leases (each of the foregoing being referred to herein as a "Transfer") to any Person except

- (i) a transfer made with the prior written consent of the Mortgagee.
- (ii) commercial leases to tenants of portions of the Mortgaged Property on terms then applicable for commercial tenants in Chicago City for buildings of similar size and quality and in the location of the Building;
- (iii) easements or other similar agreements for the purposes of pipelines, road, utilities and other like purposes, which, individually or in the aggregate, do not impair or diminish the value or the use of the Mortgaged Property for the purpose for which it is or may reasonably be expected to be held or adversely affect in any manner the security of the Mortgage hereunder.

Any Transfer other than a Transfer specified in this Section 21, shall constitute an Event of Default hereunder and shall be void or voidable at the Mortgagee's option.

22. That the Mortgagor will receive the advances secured hereby and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

23. This Mortgage may not be changed or terminated orally. The covenants contained in this Mortgage shall be binding and enforceable against the Mortgagor, the successors and assigns of the Mortgagor and all subsequent owners, encumbrancers, tenants and subtenants of the Mortgaged Property, and shall enure to the benefit of the Mortgagee, the successors and assigns of the Mortgagee and all subsequent holders of this Mortgage.

24. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

25. The Mortgagor covenants, promptly after the execution hereof, to send notice to all tenants under existing Leases of the existence of this Mortgage. The provisions of this Section 25 shall apply as well to any Lease hereafter entered into by the Mortgagor.

26. (A) The Mortgagor represents, warrants and covenants that the Mortgaged Property is in compliance with, and at all times from and after the date of this Mortgage until this Mortgage is satisfied and released of record, the Mortgagor shall keep the Mortgaged Property in compliance with, all Environmental Requirements. The term "Environmental Requirements" as used herein shall mean all applicable federal, state and local laws and regulations relating to pollution control and environmental contamination, including, but not limited to, all laws and regulations governing the generation, use, collection, treatment, storage, transportation, recovery, removal, discharge or disposal of Hazardous Material and all laws and regulations with regard to recordkeeping, notification and reporting requirements respecting Hazardous Materials. The term "Hazardous Materials" as used herein shall mean (a) materials defined as "hazardous substances", "hazardous wastes", "Hazardous constituents" or "solid wastes" in the

Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601-9657 and any amendments thereto and regulations thereunder, (ii) the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901-6987 and any amendments thereto and regulations thereunder, and (iii) any other federal, state or local environmental statute or regulation, and (b) all other materials and substances which are now or hereafter prohibited or controlled under any federal, state or local laws and regulations relating to pollution control and environmental contamination.

(B) The Mortgagor agrees to defend, protect, indemnify, and hold harmless the Mortgagee and each and all of the Mortgagee's officers, directors, employees, attorneys and agents (collectively called the "Indemnitees") from and against any and all losses, liabilities, including strict liability, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses, whether based on private agreements or in tort, contract, implied or express warranties, statute, regulation, common law or otherwise (including, without limitation, fees and disbursements of counsel and consultants for such Indemnities in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitees shall be a designated party thereto), which may be paid, incurred or suffered by, or asserted against, an Indemnitee by any person or entity or governmental agency for, with respect to, arising out of or in connection with (either directly or indirectly) the presence on or in, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from, the Mortgaged Property of any Hazardous Materials.

(C) Promptly after learning of the occurrence of any of the following, the Mortgagor shall give the Mortgagee oral and written notice thereof, describing the same and the steps being taken by the Mortgagor with respect thereto: (a) the happening of any event involving the use, spill, release, leak, seepage, discharge or cleanup of any hazardous or toxic waste, substance or constituent; (b) any litigation, arbitration proceeding, or governmental proceeding involving environmental matters; (c) notice that the Mortgagor's operations on the Mortgaged Premises are not in compliance with requirements of applicable federal, state or local environmental, health and safety statutes and regulations; (d) notice that the Mortgagor is subject to federal or state investigation evaluating whether any remedial action is

needed to respond to the release of any hazardous or toxic waste, substance or constituent, or other substance from the Mortgaged Premises into the environment; or (e) notice that the Mortgaged Premises are subject to a lien in favor of any governmental entity for (i) any liability under federal or state environmental laws or regulations or (ii) damages arising from or costs incurred by such governmental entity in response to a release of a hazardous or toxic waste, substance or constituent, or other substance into the environment.

27. Mortgagor and Mortgagee agree that this Mortgage shall constitute a "security agreement" within the meaning of the Uniform Commercial Code of the State of Illinois (the "Code") with respect to so much of the Building Service Equipment and Furnishings or any other part of the Mortgaged Property as are considered or as shall be determined to be personal property or "fixtures" (as defined in the Code) and not real estate, together with all replacements thereof, substitutions therefor or additions thereto (said personal property and "fixtures" being sometimes hereinafter referred to as the "Collateral"), and that a security interest shall attach thereto for the benefit of Mortgagee to secure the Indebtedness. Mortgagor hereby authorizes Mortgagee to file financing and continuation statements with respect to the Collateral without the signature of Mortgagor, if same is lawful; otherwise Mortgagor agrees to execute such financing and continuation statements as Mortgagee may reasonably request. If there shall exist an Event of Default under this Mortgage, Mortgagee, pursuant to the appropriate provisions of the Code, shall have the option of (i) proceeding as to both real and personal property in accordance with its rights and remedies in respect of the real property, in which event the default provisions of the Code shall not apply or (ii) proceeding with respect to the Collateral separately from the real property. The parties agree that, in the event Mortgagee shall elect to proceed with respect to the Collateral separately from the real property, unless a greater period shall then be mandated by the Code, five (5) days notice of the sale of the Collateral shall be reasonable notice. Mortgagee's reasonable expenses of retaking, holding, preparing for sale, selling and the like, including, but not limited to, attorneys' fees and other legal expenses, shall be assessed against Mortgagor and shall be secured hereby. All replacements, renewals and additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and the provisions of this

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Section 27. Mortgagor warrants and represents that the Collateral now is, and that all replacements thereof, substitutions therefor or additions thereto will be, free and clear of liens, encumbrances or security interests of others.

28. Mortgagor agrees that from time to time upon request by Mortgagee, the Mortgagor will execute, acknowledge and deliver to the Mortgagee a certificate stating that a true and complete copy of the Lease and all amendments, modifications and supplements thereto have been submitted to Mortgagee.

29. All notices or other communications required or permitted to be given hereunder shall be in writing, shall be addressed as provided below and shall be considered as properly given (a) if delivered in person, or (b) if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, or (c) if sent by prepaid telegram or telex. Notice mailed shall be effective upon the expiration of seventy-two (72) hours after its deposit. Notice given in any other manner shall be effective upon actual receipt by the addressee; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. For the purposes of notice, the addresses of the parties shall be as set forth below; provided, however, that any party shall have the right to change its address for notice hereunder to any other location within the continental United States by giving thirty (30) days' notice to the other parties in the manner set forth hereinabove. The initial addresses of the parties hereto are as follows:

Mortgagee: The Dai-Ichi Kangyo Bank, Limited
New York Branch
Suite 4911
One World Trade Center
New York, NY 10048

Telex No.: ITT 422581

with a copy to:

Winthrop, Stimson, Putnam &
Roberts
40 Wall Street
New York, NY 10005
Attention: Harold S. Nathan, Esq.

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Mortgagor: Hiro Real Estate Co.
650 Madison Avenue
New York, NY 10022

H.H.

~~Telex No.:~~ _____

with a copy to:

Graham & James
725 South Figueroa Street, 34th Floor
Los Angeles, CA 90017-5434

Telex No.: ITT 472-0414

IN WITNESS WHEREOF, this Mortgage has been duly executed by the Mortgagor on the day and year first above written.

In Presence of:

HIRO REAL ESTATE CO.

By: Hiro Enterprise, U.S.A.,
Inc., a partner

By: *Hiro Enterprise, U.S.A., Inc.*
President:

HAROLD S. NATHAN
Notary Public, State of New York
No. 4451682
New York County
Expires Nov. 30, 19__

Property of Cook County Clerk's Office

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EXHIBIT "A"

ALL that certain plot, piece or parcel of land, situate, lying and being in the County of Cook, City of Chicago, and State of Illinois, bounded and described as follows:

PARCEL 1:

LOT 6 (EXCEPT THAT PART TAKEN FOR MADISON STREET) IN BLOCK 56 IN THE ORIGINAL TOWN OF CHICAGO IN THE SOUTH 1/2 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

TEMPORARY EASEMENT FOR A PERIOD ENDING MAY 15, 2020 TO ERECT AND MAINTAIN AN EXHAUST STACK IN THE EASEMENT PARCEL DESCRIBED BELOW, TO SERVICE THE OFFICE BUILDING ON PARCEL 1, AS CREATED BY GRANT IN THE EASEMENT AGREEMENT BY AND BETWEEN FRANCISCAN FATHERS OF THE STATE OF ILLINOIS, AN ILLINOIS NOT-FOR-PROFIT CORPORATION, AND HARRIS TRUST AND SAVINGS BANK, A CORPORATION OF ILLINOIS, AS TRUSTEE UNDER TRUST AGREEMENT DATED OCTOBER 27, 1978 AND KNOWN AS TRUST NUMBER 39038, DATED MAY 15, 1980 AND RECORDED AUGUST 5, 1980 AS DOCUMENT 25536851, SAID EASEMENT PARCEL BEING DESCRIBED AS FOLLOWS:

AN AIR RIGHT LYING ABOVE A HORIZONTAL PLANE WITH AN ELEVATION OF 33.20 FEET, CITY OF CHICAGO DATUM, OVER THE NORTH 15 FEET OF THE SOUTH 58 FEET 2 INCHES OF THE EAST 4 FEET 8 INCHES OF LOT 7 (LYING NORTH OF MADISON STREET AS WIDENED) IN BLOCK 56 IN ORIGINAL TOWN OF CHICAGO, IN THE SOUTH 1/2 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

To be filed in Chicago

17-09-400-004 to 008

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