

UNOFFICIAL COPY

Chicago, Illinois 60603
One First National Plaza
Sidley & Austin
Albert Ritchie



This document was prepared by
and after recording should be
returned to:

WHEREAS, as a condition to Mortgagee's extension of
certain financial accommodations to Mortgagee (including, without
limitation, the extension of credit evidenced by the Note),
Mortgagee has required that Mortgagee enter into this Mortgage
and grant to Mortgagee the liens and security interests referred
to herein to secure (i) the payment of the principal amount
evidenced by the Note, together with interest thereon; and (ii)
other payment and performance obligations related to this
Mortgage (the aforesaid obligations of Mortgagee to Mortgagee,
together with the obligations evidenced by the Note, Assignment

and
Mortgagee that certain Assignment of Leases and Rents, dated of
even date herewith, securing the Note ("Assignment of Rents");
WHEREAS, Mortgagee has executed and delivered to

Mortgagee that certain Promissory Note, dated of even date
herewith, in the principal amount of Twelve Million Seven
Thousand Six Hundred Twelve and 12/100 Dollars (\$12,070,612.12)
("Note"); and

THIS INDENTURE ("Mortgage") made as of this 28th day of
December, 1989, by MKDG/Buck Hotel Venture, an Illinois general
partnership ("MKDG"), having an office at 200 South Wacker Drive,
Chicago, Illinois and American National Bank and Trust Company of
Chicago, not personally but as Trustee under Trust Agreement
dated November 22, 1989 and known as Trust No. 109612-09 (the
"Trust") (MKDG and the Trust are hereinafter collectively called
"Mortgagee"), to the American Medical Association, an Illinois
not-for-profit corporation, with an office at 535 North Dearborn
Street, Chicago, Illinois 60610 (hereinafter called "Mortgagee");

MORTGAGE AND SECURITY AGREEMENT

Block 125

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WITNESSETH:

(COOK COUNTY RECORDER

142222 TRAN 0157 12/29/89 11:41:00
#8579 : B * - 20 - 421 452
#36.50

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NS 90919

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Handwritten signature/initials

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REGISTERED

TOGETHER WITH all right, title and interest, including the right of use or occupancy, which Mortgagee may now have or hereafter acquire in and to (a) any lands occupied by streets, alleys, or public places adjoining said premises or in such streets, alleys or public places; and (b) all improvements, tenements, hereditaments, gas, oil, minerals, easements, fixtures and appurtenances, and all other rights and privileges thereunto belonging or appertaining; (c) all apparatus, machinery, equipment, and appliances (whether single units or centrally controlled) of Mortgagee now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, ventilation or refrigeration or to treat or dispose of refuse or waste; (d) all screens, window shades, blinds, wainscoting, storm doors and windows, floor coverings, and awnings of Mortgagee; (e) all apparatus, machinery, equipment and appliances of Mortgagee used or useful for or in connection with the maintenance and operation of said real estate; (f) all items of furniture, furnishings, equipment, and personal property of Mortgagee used or useful in the operation of said real estate; and (g) all replacements and substitutions for the foregoing whether or not any of the foregoing is or shall be on or attached to said real estate. It is mutually agreed, intended, and declared, that all of the aforesaid property owned by Mortgagee shall, so far as permitted by law, be deemed to form a part and parcel of said real estate and for the purpose of this Mortgage to be real estate and covered by this Mortgage. It is also agreed that if any of the property herein mortgaged is of a nature so that a security interest therein can be perfected under

which real estate, together with the property described in the next succeeding paragraph is herein called the "premises",

See Exhibit A attached hereto and by this reference made a part hereof

NOW, THEREFORE, to secure payment of the liabilities and in consideration of Ten Dollars (\$10.00) in hand paid, receipt whereof is hereby acknowledged, Mortgagee does hereby grant, remise, release, alien, convey and mortgage to Mortgagee, its successors and assigns, the following described real estate in Cook County, Illinois:

WHEREAS, the liabilities secured hereby shall not exceed Twenty-Five Million Five Hundred Thirty-Two Thousand Six Hundred Sixteen and no/100 Dollars (\$25,532,616.00);

of rents and any other documents which secure the Note plus interest and other payment and performance obligations being hereinafter referred to collectively as the "liabilities"; and

As additional security for the liabilities secured hereby, Mortgagor does hereby pledge and assign to Mortgagee from and after the date hereof (including any period of redemption), primarily and on a parity with said real estate, and not secondarily, all the rents, issues and profits of the premises and all rents, issues, profits, revenues, royalties, bonuses, and all benefits due, payable or accruing (including all deposits of money as advance rent, for security or as earnest money or as down-payment for the purchase of all or any part of the premises) under any and all present and future leases, contracts or other agreements relative to the ownership or occupancy of all or any portion of the premises and does hereby transfer and assign to Mortgagee all such leases and agreements (including all Mortgagor's rights under any contracts for the sale of any portion of the premises). Mortgagor agrees not to procure or accept the prepayment of any rents or other income from the premises for more than one month, except with the prior written consent of the Mortgagee. Mortgagor further agrees to execute and deliver such assignments of leases or assignments of land purchase contracts as Mortgagee may from time to time request. In the event of a default under the Note or this Mortgage which is not cured within the applicable grace period, (1) the Mortgagor agrees, upon demand, to deliver to the Mortgagee all leases, land purchase contracts and other agreements for the ownership or occupancy of any part of the premises, with such additional assignments hereof as the Mortgagee may request and agrees that the Mortgagee may assume the management of the premises and collect the rents and other income therefrom, applying the same upon the liabilities and (2) the Mortgagor hereby authorizes and directs all tenants, purchasers or other persons occupying or otherwise acquiring any interest in any parts of the premises to pay all rents and other income due under said leases and agreements to the Mortgagee upon request of the Mortgagee. Mortgagor hereby appoints Mortgagee as its true and lawful attorney in fact to manage said property and collect the rents and other income, with full power to bring suit for collection of said rents and possession of said property, giving and granting unto said Mortgagee and unto its agent or attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in the protection of the security hereby conveyed; provided, however, that this power of attorney and assignment of rents shall be effective only upon the occurrence and during the continuance of an event of default under the Note or this

the Uniform Commercial Code, this instrument shall constitute a Security Agreement and Mortgagor agrees to execute, deliver and file or refile any financing statement, continuation statement, or other instruments Mortgagee may require from time to time to perfect or renew such security interest under the Uniform Commercial Code.

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The following provisions shall also constitute an integral part of this mortgage:

TO HAVE AND TO HOLD the premises, properties, rights and privileges hereby conveyed or assigned, or intended so to be, unto mortgagee, its successors and assigns, forever for the uses and purposes herein set forth. Mortgagee hereby releases and waives all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois and Mortgagee hereby covenants and represents that, at the time of the enrolling and delivery of these presents, Mortgagee is well seized of said real estate and premises in fee simple, and with full legal and equitable title to the premises, with good right, full power and lawful authority to sell, assign, convey and mortgage the same.

Nothing herein contained shall be construed as constituting the mortgage a mortgage-in-possession in the absence of the taking of actual possession of the premises by the mortgagee. Nothing contained in this mortgage shall be construed as imposing on mortgagee any of the obligations of the lessor under any lease of the premises in the absence of an explicit assumption thereof by mortgagee. In the exercise of the powers herein granted the mortgagee, no liability shall be asserted or enforced against the mortgagee, all such liability being expressly waived and released by mortgagee, except to the extent that mortgagee's acts are commercially unreasonable.

Mortgagee and shall not be construed as an obligation upon said Mortgagee to make or cause to be made any repairs that may be needed or necessary. Mortgagee shall receive such rents and other income of said premises, out of which it shall pay: (1) reasonable charges for collection hereunder, costs of necessary repairs and other costs requisite and necessary during the continuance of this power of attorney and assignment of rents, (2) general and special taxes, insurance premiums, and all of the liabilities. This power of attorney and assignment of rents shall be irrevocable until this mortgage shall have been satisfied and released of record and the releasing of this Mortgage shall act as a revocation of this power of attorney and assignment of rents. Mortgagee shall have and hereby expressly reserves the right and privilege (but assumes no obligation) to demand, collect, sue for, receive and recover all rents, profits, revenues, royalties, bonuses, rights and benefits under any and all oil, gas, or mineral leases of the premises, or any part thereof, now existing or hereafter made, and apply the same upon the liabilities hereby secured, after default hereunder.

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(e) Except to the extent of any prior contrary condition, to Mortgage's actual knowledge, there are no actions, suits or proceedings (including, without limitation, any condemnation or bankruptcy proceedings) pending or threatened against or affecting Mortgage which may adversely affect the validity or enforceability of this Mortgage, at law or in equity, or before or by any governmental authority; Mortgage is not in

(d) The execution and performance of this Mortgage will not result in any breach of, or constitute a default under, any mortgage, lease, bank loan, or credit agreement, trust indenture, or other instrument to which Mortgage or its beneficiary is a party or by which either shall in the future become bound or affected; nor do any such instruments impose or contemplate any obligations which are or may be inconsistent with any other obligations imposed on Mortgage under any other instrument(s) heretofore or hereafter delivered by Mortgage.

(c) Other than as to any condition not caused by Mortgage which exists as of the date hereof or a condition which is contrary to any representations, warranties or covenants made by Mortgage to MKDG/Buck 125 partnership (the "Contract Purchaser") in the Contract of Sale and Purchase for the premises between the Contract Purchaser and Mortgage ("Prior Contrary Condition"), Mortgage is not now in default under any instruments or obligations relating to the premises and no party has asserted any claim of default against Mortgage relating to the premises.

(b) This Mortgage has been duly executed and delivered pursuant to authority legally adequate therefor; Mortgage has been and is authorized and empowered by all necessary persons having the power of direction over it to execute and deliver said instrument; said instrument is a legal, valid and binding obligation of Mortgage, enforceable in accordance with its terms, subject, however, to bankruptcy and other law, decisional or statutory, of general application affecting the enforcement of creditors' rights, and to the fact that the availability of the remedy of specific performance or of injunctive relief in equity is subject to the discretion of the court before which any proceeding therefore may be brought.

(a) Mortgage is duly authorized to make and enter into this Mortgage and to carry out the transactions contemplated herein.

2. Mortgage hereby covenants and represents that now and at all times during the term of this Mortgage:

1. Mortgage agrees to pay, when due or declared due, all of the liabilities secured hereby.

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3. Except as provided below, Mortgagee agrees (a) not to abandon the premises; (b) to keep the premises in the same condition and repair, to make any repairs or improvements in accordance with any existing leases affecting the premises and not to commit or suffer waste, ordinary wear and tear excepted; (c) to make when necessary and appropriate any and all repairs to the premises, whether structural or nonstructural, exterior or interior, foreseen or unforeseen, ordinary or extraordinary, and to cause all such repairs to be (in the reasonable opinion of Mortgagee) of sufficient quality to preserve the value of the premises or to be sufficient to comply with all building codes and other similar laws and ordinances; (d) to refrain from taking any action that would impair or diminish the value of this Mortgage, including any action that would increase the risk of fire or any other hazard for the premises; and (e) except as otherwise permitted in the Note, neither to make nor to permit structural or other substantial alterations in the buildings or any substantial construction on the premises without the written consent of Mortgagee. Mortgagee may remove any personal property or fixtures used in connection with the premises which is worn

(f) Should Mortgagee receive notice from a governmental agency that the premises are not in accordance with all applicable laws and ordinances, whether municipal, county, state or federal, including the compliance in full with any legislation and regulations in respect of the handicapped and environmental protection, the Mortgagee will cure such violation by the earlier of: (a) thirty (30) days from delivery of notice by such governmental agency; or (b) such time period as is imposed by the governmental agency providing notice of such violation. In the event that no such time period is imposed and the violation cannot reasonably be cured within thirty (30) days of notice, the Mortgagee shall have commenced and shall be diligently pursuing such cure within such thirty (30) days. The failure of Mortgagee to cure such violation within thirty (30) days or the prescribed time period, or the Mortgagee's failure to commence and diligently pursue such cure shall, at Mortgagee's option, be deemed a default under this Mortgage. Notwithstanding any other provision of this subparagraph to the contrary, Mortgagee shall have no obligation to take action to cure any contravention so long as it contests the notice which it has received in good faith by legal proceedings which preclude the governmental agency from enforcing any lien against the premises and from entering the premises to perform repair work or repairs to improvements. In addition, Mortgagee need not make alternative means of eliminating the violation without materially reducing the value of the premises.

default with respect to any writ, injunction, decree or demand of any court or any governmental authority affecting the premises.

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5. Mortgagor agrees that, if the United States or the State of Illinois or any of their subdivisions having jurisdiction shall levy, assess, or charge any tax, assessment or imposition upon this Mortgage or the credit or indebtedness secured hereby or the interest of Mortgagee in the premises or upon Mortgagee by reason of or as holder of any of the foregoing then, Mortgagee shall pay (or reimburse Mortgagee for) such taxes, assessments or impositions and, unless all such taxes, assessments and impositions are paid or reimbursed by Mortgagee when and as they become due and payable, all sums hereby secured shall become immediately due and payable, at the option of

4. Mortgagor agrees to pay, not later than the due date and before any penalty or interest attaches, all general taxes and all special taxes, special assessments, water, drainage and sewer charges and all other charges, of any kind whatsoever, ordinary or extraordinary, which may be levied, assessed or imposed on or against the premises and, at the request of Mortgagee, to exhibit to Mortgagee, official receipts evidencing such payments; provided, however, that in the case of any special assessment (or other imposition in the nature of a special assessment) payable in installments, each installment thereof shall be paid prior to the date on which such installment becomes due and payable; and provided, further, that Mortgagor shall have the right to contest in good faith any such tax, assessment or charge, so long as the amount thereof is paid under protest, is bonded to Mortgagee, a reasonable satisfaction, or so long as the lien thereof is suspended pending such contest. In the event that any court of last resort enters a decision that the undertaking by the Mortgagor provided for in this Paragraph 4 to pay taxes, assessments, and charges in connection with the premises is legally inoperative or cannot be enforced, or in the event that any law is enacted changing in any way the laws now in force with respect to the taxation of mortgages or debts secured thereby for any purpose, or the manner of collection of any such taxes, so as to affect adversely the Mortgagee, Mortgagee shall have the right, in its sole discretion, upon notice to Mortgagor, to declare all sums secured hereby immediately due and payable.

out or obsolete, provided that, either prior to or simultaneously with such removal, Mortgagor shall replace such property with other property with the same or greater utility and value as the replaced property had when first acquired, and such replacement property shall be free and clear of any liens or security interests other than those of Mortgagee, but shall be subject to the lien and security interest created by this Mortgage. Notwithstanding anything to the contrary contained in this Paragraph 3, Mortgagor shall be allowed to make the improvements, if any, which are located on the premises and commonly known as 528 North Michigan and 501 North Rush Street, Chicago, Illinois.

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7. Mortgagor agrees that it will comply with all restrictions affecting the premises and with all laws, ordinances, acts, rules, regulations and orders of any legislative, executive, administrative or judicial body, commission or officer (whether federal, state or local) exercising any power of regulation or supervision over Mortgagor, or any part of the premises, whether the same be directed to the repair thereof, manner of use thereof, structural alteration of buildings located thereon, or otherwise.

(c) All such insurance shall be written by companies and on forms with endorsements reasonably satisfactory to Mortgagor, all with suitable loss payable and standard non-contribution mortgage clauses in favor of Mortgagor (or, in case of a foreclosure sale, in favor of the owner of the certificate of sale) attached, and certified copies of the policies evidencing the same shall be kept constantly deposited with Mortgagor. All said policies shall provide for, among other things, written notice to Mortgagor of their expiration or any anticipated cancellation at least thirty (30) days prior to such event occurring. Not less than thirty (30) days prior to the expiration of any such policy, a certified copy of an appropriate renewal policy shall be deposited with Mortgagor. Mortgagor will hold and apply all insurance proceeds in accordance with the provisions of Paragraph 12.

(b) Mortgagor will also maintain flood insurance, if required, pursuant to a designation of the area in which the mortgaged premises are located as flood prone or a flood risk area, as defined by the Flood Disaster Protection Act of 1973, as amended, in an amount to be determined by the Mortgagor from time to time, when appropriate, as well as comply with any additional requirements of the National Flood Insurance Program as set forth in said Act.

6. (a) Mortgagor agrees to maintain in force on the premises at all times all risk insurance, rental or business interruption coverage on 520 North Michigan Avenue, boiler explosion and full contents coverage on the personal property included herein, in such amounts as is reasonably satisfactory to Mortgagor and in no event less than the amount required to prevent Mortgagor from becoming a co-insurer within the terms of the applicable policies.

Mortgagor, notwithstanding anything contained herein or in any law heretofore or hereafter enacted. Mortgagor agrees to exhibit to Mortgagor, at least annually and at any time upon request, official receipts showing payment of all taxes, assessments and charges which Mortgagor is required or elects to pay hereunder.

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10. Mortgagor agrees faithfully to perform all of its obligations under all present and future leases or other agreements relative to the occupancy of the premises at any time

9. Upon the occurrence of a default hereunder which is not cured within the applicable grace period, Mortgagor may elect that, Mortgagor will pay to Mortgagee, on the installment paying dates of the Note, until the Note is fully paid or until notification from Mortgagee to the contrary, an amount sufficient (as estimated by Mortgagee) to pay said insurance premiums, taxes, assessments and other charges next due. Nothing contained herein shall cause Mortgagee to be deemed a trustee of said funds and no interest shall be allowed to Mortgagee on account of any deposit or deposits made hereunder. Said deposits need not be kept separate and apart from any other funds of the Mortgagee. Mortgagee shall furnish to Mortgagee before the date on which the same shall become due, insurance premium invoices and an official statement of the amount of said taxes and assessments next due, and Mortgagee shall pay said premiums and charges but only if the amounts received from the Mortgagee are sufficient. An official receipt therefore shall be conclusive evidence of such payment and of the validity of such charges. If such amounts received from Mortgagee are insufficient, Mortgagee shall notify Mortgagee of the shortage whereupon Mortgagee will immediately deposit with Mortgagee the needed funds. Mortgagee may elect to advance any needed funds and any so advanced shall become immediately due and payable to Mortgagee, become part of the secured indebtedness, and bear interest at the interest rate (as hereafter defined) from the date of such advance. If the Mortgagee is in default under this Mortgage or the Note, Mortgagee, at its option, may instead apply such amounts to the indebtedness in such priority as it may determine. The amount of the existing credit hereunder at the time of any transfer of the premises shall, without assignment thereof, inure to the benefit of the successor-owner of the premises, and shall be applied under and subject to all of the provisions hereof. Upon payment in full of the liabilities, the amount of any unused credit shall be paid over to the then owner of record.

8. Mortgagor agrees that, if the United States Government or any department, agency or bureau thereof, the State of Illinois or any of its subdivisions or the City of Chicago shall at any time require documentary stamps to be affixed to the Mortgage, Mortgagor will, upon request, pay for such stamps in the required amount and deliver them to Mortgagee, and Mortgagor agrees to indemnify Mortgagee against liability on account of such documentary stamps, whether such liability arises before or after payment of the liabilities and regardless of whether this Mortgage shall have been released.

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13. Mortgagor agrees to indemnify and hold harmless Mortgagee from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims,

12. If any building or other improvement now or hereafter erected on the premises shall be destroyed or damaged by fire or any other cause, whether insured or uninsured, Mortgagee shall have the option either (1) to apply any insurance proceeds or other recovery related to said loss to restoration or rebuilding (including necessary demolition) such building or other improvement with materials and workmanship of as good quality as existed before such damage and destruction to substantially their former state, commencing the work of restoration or rebuilding as soon as possible and proceeding diligently with it until completion or (ii) provided the building or other improvements as damaged by such casualty shall not be in violation of any building codes or ordinances, to not repair such damage and promptly pay any insurance proceeds or awards to Mortgagee to reduce the amount of the outstanding liabilities hereunder (after deducting the costs of any necessary demolition and site work and the costs of collecting the award). Plans and specifications for the restoration as herein required shall be submitted to Mortgagee prior to commencement of work and shall be subject to reasonable approval of Mortgagee. Any proceeds not so applied shall be paid to Mortgagee and applied against the indebtedness.

11. Mortgagor agrees that it shall not permit the public to use the premises or any other property covered by this mortgage in any manner that might tend, in Mortgagee's judgment, to impair Mortgagee's title to such property or any portion thereof, or to make possible any claim or claims of easement by prescription or of implied dedication to public use. Mortgagee shall not use or permit the use of any part of the premises or any other property covered by this mortgage for an illegal purpose. Mortgagee shall not permit any use of the premises or such property for any purpose other than that for which such premises or property is used as of the date hereof without Mortgagee's consent, not to be unreasonably withheld.

assigned to Mortgagee as additional security. Mortgagee further agrees that any lease of the premises made after the date of recording of this mortgage shall, if demising more than 2,000 square feet, require the prior approval of Mortgagee (which approval shall not be unreasonably withheld or delayed) and in any event all such leases shall contain a covenant to the effect that such lessee shall, at Mortgagee's option, agree to return to the Mortgagee as lessor and, upon demand, to pay rent to Mortgagee.

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15. Mortgagor agrees that, from and after the occurrence of a default under this Mortgage not cured within the applicable grace period, Mortgagor may, but need not, make any payment or perform any act hereinafter required of Mortgagor, in any form and manner deemed expedient after reasonable inquiry into the validity thereof. By way of illustration and not in limitation of the foregoing, Mortgagor may, but need not, (i) make full or partial payments of insurance premiums which are unpaid by Mortgagor, coordinate liens or encumbrances, if any, and (ii) purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof, or (iii) redeem all or any part of the premises from any tax or assessment. All money paid for any of the purposes herein authorized and all other moneys advanced by Mortgagor to protect the premises and the lien hereof shall be additional liabilities secured hereby and shall become immediately due and payable without notice and shall bear interest thereon at the Default Rate, as defined in the Note ("Interest Rate"), until paid to Mortgagor in full. In making any payment hereby authorized relating to taxes, assessments or prior or coordinate liens or encumbrances, Mortgagor shall be the sole judge of the legality,

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16. Mortgagor hereby assigns to Mortgagee, as additional security, all awards of damage resulting from condemnation proceedings or the taking of or injury to the premises for public use, and Mortgagee agrees that the proceeds of all such awards shall be paid to Mortgagee and may be applied by Mortgagee, at its option, after the payments of all its expenses in connection with such proceedings, including reasonable attorneys' fees and expenses, to the reduction of the liabilities hereby secured, and Mortgagee is hereby authorized, on behalf of and in the name of Mortgagor, to execute and deliver valid acquittance for and to appeal from any such award.

17. Mortgagee hereby assigns to Mortgagee, as additional security, all awards of damage resulting from condemnation proceedings or the taking of or injury to the premises for public use, and Mortgagee agrees that the proceeds of all such awards shall be paid to Mortgagee and may be applied by Mortgagee, at its option, after the payments of all its expenses in connection with such proceedings, including reasonable attorneys' fees and expenses, to the reduction of the liabilities hereby secured, and Mortgagee is hereby authorized, on behalf of and in the name of Mortgagor, to execute and deliver valid acquittance for and to appeal from any such award.

18. Mortgagee agrees that, from and after the occurrence of a default under this Mortgage not cured within the applicable grace period, Mortgagee may, but need not, make any payment or perform any act hereinafter required of Mortgagee, in any form and manner deemed expedient after reasonable inquiry into the validity thereof. By way of illustration and not in limitation of the foregoing, Mortgagee may, but need not, (i) make full or partial payments of insurance premiums which are unpaid by Mortgagee, coordinate liens or encumbrances, if any, and (ii) purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof, or (iii) redeem all or any part of the premises from any tax or assessment. All money paid for any of the purposes herein authorized and all other moneys advanced by Mortgagee to protect the premises and the lien hereof shall be additional liabilities secured hereby and shall become immediately due and payable without notice and shall bear interest thereon at the Default Rate, as defined in the Note ("Interest Rate"), until paid to Mortgagee in full. In making any payment hereby authorized relating to taxes, assessments or prior or coordinate liens or encumbrances, Mortgagee shall be the sole judge of the legality,

17. Any of the following occurrences or acts shall constitute an event of default under this Mortgage ("default"): (1) Mortgagee fails to pay the indebtedness evidenced by the Note when due or when declared due and such failure shall continue beyond the applicable grace period specified in the Note; (2) a default shall occur under any other document or instrument which is secured by this Mortgage between Mortgagee and Mortgagee, or between Mortgagee and any affiliate of Mortgagee; (3) there shall be an acceleration of any subordinate financing permitted under this Mortgage or specifically permitted by Mortgagee; (4) Mortgagee, or any guarantor from time to time of the Note (hereinafter referred to as "Guarantor"), if any, shall file a petition in voluntary bankruptcy or for relief under any Federal or state bankruptcy or insolvency laws or any similar law, whether now or hereafter existing, or any answer admitting insolvency or inability to pay its debts; (5) Mortgagee or a Guarantor shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for Mortgagee or Guarantor, or for all of the property of Mortgagee or a substantial part thereof in any involuntary proceeding or any court shall have taken jurisdiction of the property of Mortgagee or Guarantor or a substantial part thereof in any involuntary proceeding or winding up or reorganization, dissolution, liquidation or winding up of Mortgagee; (6) Mortgagee or Guarantor shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver, trustee, custodian or

16. Mortgagee, or any person designated by Mortgagee in writing, shall have the right, from time to time hereafter, to call at the premises (or at any other place where information relating thereto is kept or located) during reasonable business hours and, so long as no event of default shall have occurred and be continuing, upon reasonable prior notice, and, without hindrance or delay, to make such inspection and verification of the premises, and the affairs, finances and business of Mortgagee in connection with the premises, as Mortgagee may consider reasonable under the circumstances, and to discuss the same with any agents or employees of Mortgagee.

validity and priority thereof and of the amount necessary to be paid in satisfaction thereof.

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(c) Mortgagee shall, at its option, have the right, acting through its agents or attorneys, either with or without process of law, forcibly or otherwise, to enter upon and take possession of the premises, expel and remove any persons, goods, or chattels occupying or upon the same, to collect or receive all the rents, issues and profits thereof and to manage and control the same, and to lease the same or any part thereof, from time to time, and, after deducting all reasonable attorneys' fees and expenses, and all reasonable expenses incurred in the protection, care, maintenance, management and operation of the premises, apply the remaining net income upon the liabilities or other sums

(b) It shall be lawful for mortgagee to immediately foreclose this mortgage by action pursuant to Illinois law. The court in which any proceeding is pending for the purpose of foreclosure of this mortgage may, at once or at any time thereafter, either before or after sale, without notice and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the liabilities secured hereby, and without regard to the value of the premises or the occupancy thereof as a homestead, appoint a receiver (the provisions for the appointment of a receiver and assignment of rents being an express condition upon which the loan hereby secured is made) for the benefit of mortgagee, with power to collect the rents, issues and profits of the premises, due and to become due, during such foreclosure suit and the full statutory period of redemption notwithstanding any redemption. The receiver, out of such rents, issues and profits when collected, may pay costs incurred in the management and operation of the premises, prior and coordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, and may make and pay for any necessary repairs to the premises, and may pay all or any part of the liabilities or other sums secured hereby or any deficiency decree entered in such foreclosure proceedings. Upon or at any time after the filing of a suit to foreclose this mortgage, the court in which such suit is filed shall have full power to enter an order placing mortgagee in possession of the premises with the same power granted to a receiver pursuant to this Section 17(b) and with all other rights and privileges of a mortgagee-in-possession under applicable law.

(a) All sums secured hereby shall, at the option of mortgagee, become immediately due and payable without presentment, demand or further notice.

Liquidator (other than by way of probate proceedings) of all of its property or a substantial part thereof. If any such default shall have occurred, then, to the extent permitted by applicable law, the following provisions shall apply:

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19. Each remedy or right of Mortgagee shall not be exclusive of but shall be in addition to every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or in different nature. Every such remedy or right may be

18. In any foreclosure of this mortgage by action, there shall be allowed (and included in the decree for sale in the event of a foreclosure by action), to be paid out of the rents or the proceeds of such foreclosure proceeding or sale:

(a) all of the liabilities and other sums secured hereby which then remain unpaid;

(b) all other items advanced or paid by Mortgagee pursuant to this mortgage, with interest thereon at the interest rate from the date of advancement; and

(c) all court costs, attorneys' and paralegals' fees and expenses, appraiser's fees, advertising costs, notice expenses, expenditures for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title guarantees, title insurance policies, Torrens certificates and similar data with respect to title which Mortgagee may deem necessary. All such expenses shall become additional liabilities secured hereby and immediately due and payable, with interest thereon at the interest rate, when paid or incurred by Mortgagee in connection with any proceedings, including but not limited to probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this mortgage or any indebtedness hereby secured or in connection with the preparations for the commencement of any suit for foreclosure, whether or not actually commenced, or sale by advertisement. The proceeds of any sale (whether through a foreclosure proceeding or Mortgagee's exercise of the power of sale) shall be distributed and applied to its items described in (a), (b), and (c) of this paragraph, as Mortgagee may in its sole discretion determine, and any surplus of the proceeds of such sale shall be paid to Mortgagee.

secured hereby or upon any deficiency decree entered in any foreclosure proceedings.

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c/o John Buck Company
40th Floor
200 South Wacker
Chicago, Illinois 60606
Attn: John Iberle

It to Mortgage:

23. Except as otherwise provided herein, any notices, demands, consents, requests, approvals, undertakings or other instruments required or permitted to be given in connection with this Mortgage shall be in writing, shall be sent by United States registered or certified mail and shall be deemed to have been validly served, given or delivered (5) days following deposit in the United States mails, addressed to the party so notified as follows:

22. Mortgagee agrees that, upon request of Mortgagee from time to time, it will execute, on a non-recourse basis, acknowledge and deliver all such additional instruments and further assurances of title and will do or cause to be done all such further acts and things as may reasonably be necessary to fully effectuate the intent of this Mortgage. In the event that Mortgagee shall fail to do any of the foregoing, Mortgagee may, in its sole discretion, do so in the name of Mortgagee, and Mortgagee hereby appoints Mortgagee as its attorney-in-fact to do any of the foregoing.

21. In the event of a foreclosure of this Mortgage the liability then due the Mortgagee shall not be merged into any decree of foreclosure entered by the court, and Mortgagee may concurrently or subsequently seek to foreclose one or more mortgages which also secure said liabilities.

20. If more than one property, lot or parcel is covered by this Mortgage, and if this Mortgage is foreclosed upon, or judgment is entered upon any obligation secured hereby, execution may be made upon or Mortgagee may exercise its power of sale against any one or more of the properties, lots or parcels and not upon the others, or upon all of such properties or parcels, either together or separately, and at different times or at the same time, and execution sales or sales by advertisement may likewise be conducted separately or concurrently, in each case at Mortgagee's election.

exercised concurrently or independently and when and as often as may be deemed expedient by Mortgagee.

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24. Mortgagor agrees that, without affecting the liability of any person for payment of the liabilities secured hereby or affecting the lien of this Mortgage upon the premises or any part thereof (other than persons or property explicitly released as a result of the exercise by Mortgagor of its rights and privileges hereunder), Mortgagor may at any time and from time to time, on request of the Mortgagor, without notice to any

Mortgagor or Mortgagor shall, from time to time, have the right to specify as the proper addressee and/or address for the purposes of this Mortgage any other address in the United States upon giving ten (10) days' written notice thereof.

Sidley & Austin
 One First National Plaza
 Chicago, Illinois 60603
 Attn: Albert Ritchie

with a copy to:

American Medical Association
 535 North Dearborn Street
 Chicago, Illinois 60610
 Attn: Office of the General Counsel

with a copy to:

American Medical Association
 535 North Dearborn Street
 Chicago, Illinois 60610
 Attn: Reinhard Schneider

If to Mortgagor:

Katten, Muchin & Zavis
 Suite 1600
 525 West Monroe Street
 Chicago, Illinois 60606
 Attn: Nina B. Mattis or Marcia Sullivan

and

Miller, Kutznick, Davis, Gray Co.
 737 North Michigan Avenue
 Chicago, Illinois 60611
 Attn: Thomas Kutznick
 Steve Rudolph

with a copy to:

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Property of Cook County Office

29. Mortgagor represents that it has been authorized to, and Mortgagor does hereby, waive (to the full extent permitted under Illinois law) any and all statutory or equitable rights of redemption from sale by advertisement or sale under any order or decree of foreclosure of this Mortgage on behalf of

28. The Mortgagor or Mortgagee, within ten (10) days after the request in person or within fifteen (15) days after request by mail, from the other will furnish a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage, the date to which interest, if any, has been paid and stating either that no offsets or defenses exist against the mortgage debt, or, if such offsets or defenses are alleged to exist, the nature thereof.

27. This Mortgage shall be binding upon the Mortgagor and upon the successors, assigns and vendees of the Mortgagor and shall inure to the benefit of the Mortgagee's successors and assigns; all references herein to the Mortgagor and to the Mortgagee shall be deemed to include their successors and assigns. Mortgagor's successors and assigns shall include, without limitation, a receiver, trustee or debtor in possession of or for the Mortgagor. Wherever used, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders.

26. Upon full payment of all sums secured hereby or upon application on the liabilities of the proceeds of any sale of the premises in accordance with the provisions of this Mortgage, at the time and in the manner provided, this conveyance shall be null and void and, upon demand therefor following such payment, a satisfaction of mortgage shall, in due course, be provided by Mortgagor to Mortgagee.

25. Mortgagor agrees that this Mortgage is to be construed and governed by the laws of the State of Illinois. Wherever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage.

person liable for payment of any liabilities secured hereby, extend the time, or agree to alter the terms of payment of such liabilities.

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31. (a) Mortgagor agrees that mortgagor's willingness to enter into the financial transaction represented by the Note and secured by this Mortgage was expressly based in part upon the consideration of the Mortgagor's covenants contained herein and in the other agreements given in connection herewith, and upon Mortgagor's financial strength and ability to develop, improve and operate or manage the business to be conducted upon and in connection with the premises. Mortgagor agrees that these considerations are material considerations in the transactions out of which this Mortgage arises. Therefore, subject to the exceptions set forth in paragraphs 30 and 31(b), Mortgagor covenants not to sell, convey, assign, transfer or otherwise dispose of or further encumber the premises or any part thereof, or any interest therein, either voluntarily or involuntarily, or agree so to do, without the written consent of Mortgagor being first obtained. Further, except as provided in paragraph 31(b) it either of the general partners of Mortgagor cease, for any reason, to be a general partner of Mortgagor, it shall be deemed

30. Except as otherwise provided in this paragraph, Mortgagor shall not permit any liens or security interests to be filed or attached to the premises without the written consent of Mortgagor. Except as provided below, the Mortgagor shall not further encumber any interest in or any part of premises, without the prior written consent of the Mortgagor having been obtained. The Mortgagor shall not, without the prior written consent of the Mortgagor, either assign the rents from the premises. Notwithstanding anything to the contrary contained in this Mortgage, Mortgagor shall be permitted, without the prior approval of Mortgagor, to encumber the premises with a lien which is subordinate to this Mortgage lien and pledge the premises as security for subordinate debt, provided, however, that such subordinate debt and all interest and other obligations included therein shall in no event exceed the amount of \$5,000,000 and the proceeds of such subordinate debt shall be used solely for the payment of those expenses incurred prior to the start of Construction (as defined in the Note), on the premises and the 124 Property (as defined in the Note) including, without limitation, architects' fees, consultants' fees, legal fees and those fees which relate to the change of zoning, if any, and the planning of the project.

Mortgagor and each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the premises subsequent to the date hereof. Mortgagor expressly waives the right to any hearing and to any notice of such hearing other than as is or hereafter may be required by the Statutes of the State of Illinois for a foreclosure sale held pursuant to the Mortgage or other loan documents, the form and substance of which should be subject to the approval of Mortgagor.

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a transfer of the premises requiring Mortgagee's consent. If said written consent is not obtained, then the Mortgagee shall have the right, at its option, to declare forthwith due and payable the entire balance of the unpaid principal with accrued and unpaid interest due thereon, plus the additional prepayment fee which would otherwise be payable had the Mortgagee exercised its prepayment rights, if any, voluntarily, and if no prepayment right applies then the prepayment penalty otherwise specified, all as described in the prepayment provisions in the Note secured hereby. If Mortgagee consents to any such transfer, such consent to one such transfer shall not be deemed a waiver of the right to require such consent to future or successive transfers. The Mortgagee agrees that in the event the ownership of the premises or any part thereof becomes vested in a person other than the Mortgagee, the Mortgagee may, without notice to the Mortgagee, deal in any way with such successor or successors in interest with reference to the Mortgage and other sums hereby secured without in any way violating or discharging the Mortgagee's liability hereunder or upon other sums hereby secured. No sale of the premises, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the liability shall operate to release, discharge, modify, change or affect the original liability of the Mortgagee, either in whole or in part.

(b) Notwithstanding anything contained herein to the contrary, without the prior consent of Mortgagee either Buck Hotel Limited Partnership of MKDG/540 Michigan may transfer, sell or assign, all or a portion of its interest in MKDG, provided, however, that (i) either Buck Hotel Limited Partnership or MKDG/540 Michigan remains as a managing partner of MKDG with veto rights over all major decisions of MKDG (ii) Buck Hotel Limited Partnership or MKDG either individually or in the aggregate retain a five percent (5%) ownership interest in MKDG and (iii) in the case of a transfer or assignment by MKDG/540 Michigan of all or a portion of its interest in MKDG which reduces its interest to less than five percent (5%), the Mortgagee has approved, in writing, the financial condition and ability of any proposed transferee or assignee of MKDG/540 Michigan or Buck Hotel Limited Partnership's interest. Without the Mortgagee's consent, Buck Hotel Limited Partnership may assign its interest in MKDG to a partnership, provided that John Buck of the John Buck Company is the controlling general partner of the partnership and a majority interest in the partnership is owned, directly or indirectly, by John Buck, John O'Donnell, John Iberle, Bill Moody and members of their families and trusts for the benefit of them.

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34. This mortgage is executed by American National Bank and Trust Company of Chicago, not personally, but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that nothing contained herein shall be construed as creating any liability on said Trustee personally to pay any indebtedness accruing hereunder, all such liability, if any, being expressly waived by the Payee and by every person now or hereafter claiming any right hereunder, and that so far as the Trustee is concerned, the Mortgagee hereunder shall look solely to the premises and any other security and any guaranty for the payment hereof.

33. Notwithstanding anything contained in this Mortgage to the contrary, Mortgagor shall neither (i) be liable as a result of any provision of this Mortgage nor (ii) be in default of this Mortgage because of prior Contrary Conditions, except that Mortgagor shall make repairs required to correct prior Contrary Conditions after it receives a notice described in subparagraph 2(f) related to such prior Contrary Condition (such obligation to be subject to the conditions stated in subparagraph 2(f)) and after it receives a demand from tenant to make a repair related to a prior Contrary Condition which would constitute a lease default if not corrected.

32. Notwithstanding anything in this Mortgage or any other document, certificate or instrument delivered by Mortgagor to the contrary, Mortgagee expressly agrees that no personal liability is assumed by, nor at any time may be asserted against the Trust, MKDG, or any of the partners or subpartners of MKDG on account of this Mortgage or any other document, certificate or instrument delivered by the Trust or MKDG (or any such partner or subpartner), including, without limitation, on account of any warranty, representation, covenant or agreement therein contained, all such personal liability being expressly waived and released, and that, without limitation of the foregoing, Mortgagee shall look solely to the premises for satisfaction of any claim.

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IN WITNESS WHEREOF, this instrument is executed on the day and date first above written.

MKDG/BUCK HOTEL VENTURE, an Illinois general partnership

By: Buck Hotel Limited Partnership, an Illinois limited partnership, a general partner

By: Buck Hotel Corporation, an Illinois corporation, its general partner

By: _____ Its: _____

By: MKDG/540 MICHIGAN, a Colorado general partnership, a general partner

By: T. Klutznick Co.-M, a Colorado corporation, its general partner

By: _____ Its: _____

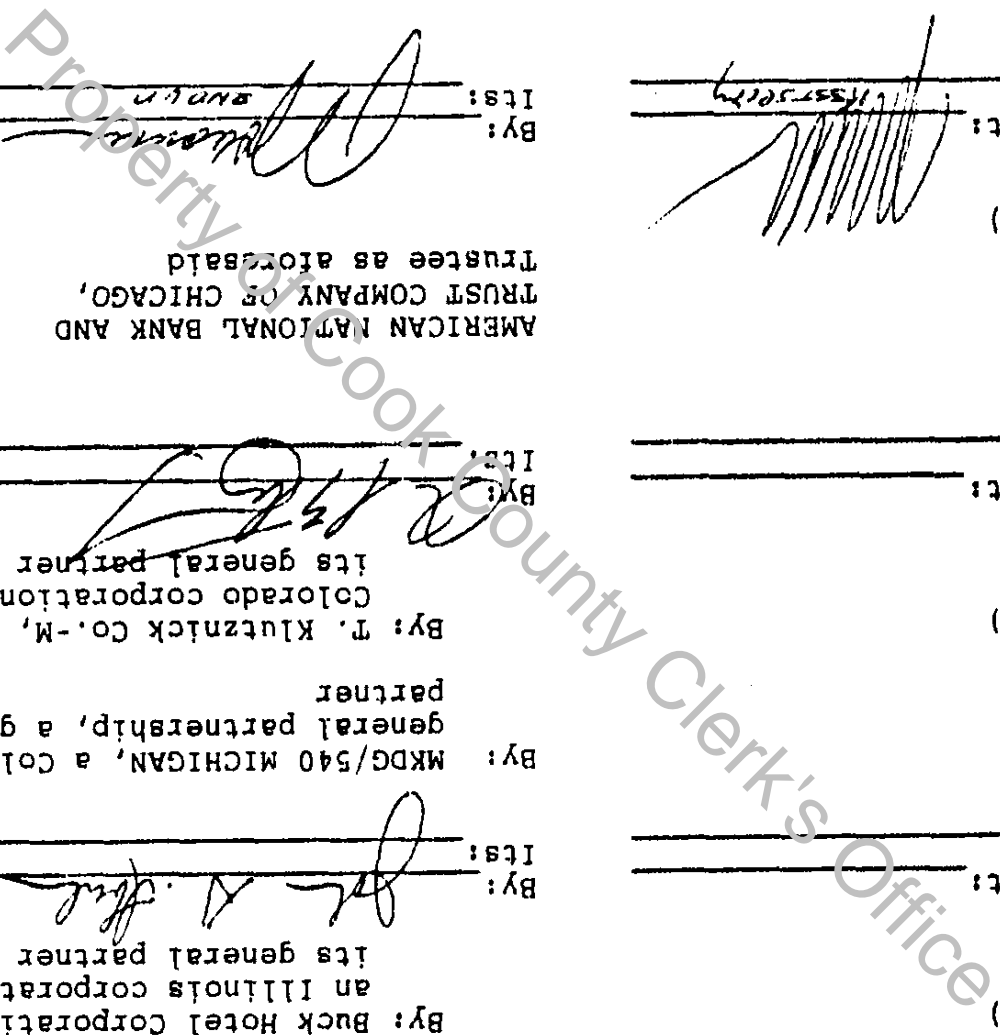
AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, Trustee as aforesaid

By: _____ Its: _____

Attest: _____ Its: _____

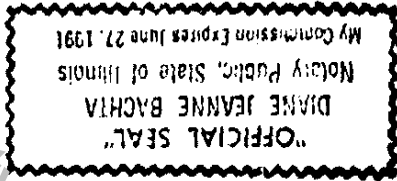
Attest: _____ Its: _____

Attest: _____ Its: _____



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Property of Cook County Clerk



Commission expires: June 27, 1991

Diane Jeanne Bachtia
Notary Public

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Tom Klunk personally known to me to be the President of T. Klunk Co., Inc. a Corporation, personally known to me to be Tom Klunk, appeared before me this 11 day in person and acknowledged that, as such President, and Tom Klunk and Tom Klunk caused the seal of such corporation to be affixed thereto, as their free and voluntary act, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth. Given under my hand and official seal, this 11 day of December, 1985.

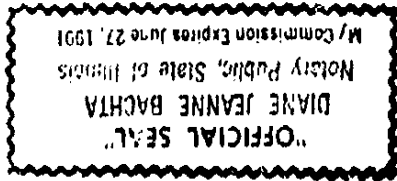
STATE OF Ill
COUNTY OF Cook
SS

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Property of Cook County Clerk



Commission expires: June 27, 1991

Diane Jeanne Bachta
Notary Public

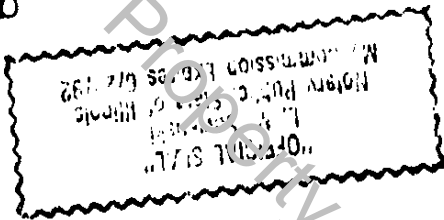
I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Bill White personally known to me to be the President of Bill White corporation, an Illinois corporation, personally known to me to be Bill White, thereof, appeared before me this day in person and acknowledged that, as such Bill White and instrument and such Bill White caused the seal of such corporation to be affixed thereto, as their free and voluntary act, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth. Given under my hand and official seal, this 21 day of December, 1981.

STATE OF Ill
COUNTY OF Cook
SS

UNOFFICIAL COPY

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Commission expires: _____

Notary Public

M. J. [Signature]

REC 23 1988

Given under my hand and official seal, this _____ day of _____, 19____

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that _____ personally known to me to be, the _____ of _____ a _____ American National Bank and Trust Company of Chicago, a corporation, personally known to me to be _____, appeared before me this _____ day in person and acknowledged that, as such _____ they signed and delivered such _____ instrument and such _____ caused the seal of such corporation to be affixed thereto, as their free and voluntary act, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

STATE OF _____)
COUNTY OF _____)
SS _____)

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Property of Cook County Clerk's Office

19-16-125-001, 002, 003 + 004
528 N. MICHIGAN, 528 N. MICHIGAN + 501 N. KUSH
CHICAGO

The west 1/2 of Lot 2 and all of Lots 3, 4, 5, 6, 7 and
the west 10 feet of Lot 8 in Block 17 in Kinzie's Addition to
Chicago in the North fractional Section 10, Township 39 North,
Range 14, East of the Third Principal Meridian, in Cook County,
Illinois.

Legal Description (Block 1251):

EXHIBIT A