

Permanent R/E Tax Nos:  
20-05-402-024 " " " " " " " " " "  
30-05-402-027 " " " " " " " " " "  
30-05-402-028 " " " " " " " " " "  
30-05-402-031 " " " " " " " " " "  
25-36-100-017 130th + Torrence, Chgo, Ill. " 89622760 " (Illinois)

**MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT**

**BY**

**CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO.**

**Mortgagor**

**TO**

**BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION**

**As Mortgagee and Agent**

**Relating to Premises in:**

**Cook County, Illinois**

**This Document was prepared by  
~~and after recording should be returned to:~~**

**Helen D. Shapiro, Esq.  
Winston & Strawn  
35 West Wacker Drive  
Chicago, Illinois 60601**

459.00  
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89-622760  
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STATE TITLE SERVICES, INC.  
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Lincoln, NE 68508**

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## MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Mortgage"), dated as of December 29, 1989, made by CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO. ("Mortgagor"), an Indiana general partnership having its principal place of business and chief executive office at North Carroll Avenue, Michigan City, Indiana 46360-5082 as Mortgagor, to BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION ("Mortgagee"), as Mortgagee, a national banking association having an office at 200 W. Adams St., Chicago, Illinois 60606, for itself and as agent for each of the financial institutions (collectively "Banks," each a "Bank") identified as Banks in that certain Loan Agreement (as hereinafter defined).

### R E C I T A L S :

1. Mortgagor is the owner (i) in fee simple absolute of the real property described in EXHIBIT A hereto, (ii) of the landlord's interests in the Leases (as hereinafter defined) and (iii) of the Improvements and Personal Property (each as hereinafter defined).

2. Pursuant to that certain agreement entitled "Credit Agreement" of even date herewith (as at any time amended, the "Loan Agreement"), by and among Mortgagor, Mortgagee, Continental Bank, N.A., a national association ("Continental"), and Mortgagee in its capacity as agent for each of the Banks identified therein, the Banks have agreed, among other things, to make or issue loans (collectively, "Loans"; each, a "Loan") to Mortgagor in aggregate principal amounts not to exceed at any time Twenty Million Four Hundred Fifty Thousand Dollars (\$20,450,000.00), upon the terms and subject to the conditions set forth in the Loan Agreement.

3. The Loans are in the form of: (a) term loans (collectively "Term Loans;" each a "Term Loan") in the aggregate principal amount of Eighteen Million Dollars (\$18,000,000.00) evidenced by notes, each entitled "Term Note" (collectively, "Term Notes"; each, a "Term Note"); (b) a revolving credit loan (the "Revolving Credit Loan") under which advances, payments and readvances may be made from time to time in a principal amount not to exceed at any time outstanding One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) and evidenced by a note entitled "Revolving Credit Note" of even date herewith, as amended and modified from time to time (the "Revolving Note"), and (c) a letter of credit (the "Letter of Credit") in the aggregate principal amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000.00) and evidenced by a note entitled "Letter of Credit Note" (the "Letter of Credit Note"). The Term Notes, the Revolving Note and the Letter of Credit Note are hereinafter collectively called "Notes."

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The Notes bear interest at adjustable rates as provided in the Loan Agreement.

4. This Mortgage is being given by Mortgagor to secure (i) payment by Mortgagor of all principal, interest and other sums due or to become due in respect of the Loans, including but not limited to future advances as hereafter provided in Section 5.12 below; (ii) the payment of any further or subsequent advances made to preserve the lien of this Mortgage; and (iii) performance of all of the terms, covenants, conditions, agreements and liabilities contained in this Mortgage and the Loan Documents (as hereinafter defined in Section 3.1). All of the foregoing payment and performance obligations in clauses (i), (ii) and (iii) of the preceding sentence are hereinafter called the "Indebtedness."

5. The terms of the Loan Agreement are incorporated by reference herein as though set forth in full detail. In the event of any conflict between the terms and provisions of this Mortgage and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern and control.

6. The total Indebtedness secured by this Mortgage shall not exceed Forty-Five Million Dollars (\$45,000,000). The parties intend that all advances of portions of the Loans shall constitute obligatory advances subject however to the terms and provisions of the Loan Agreement.

7. The scheduled maturity date of the last maturing of the obligations evidenced by the Notes is December 31, 1997.

## CONVEYANCE

Mortgagor, to secure the payment of the Indebtedness to Mortgagee and the performance of the covenants and agreements herein contained and in consideration of the further sum of One Dollar (\$1.00) unto Mortgagor in hand well and truly paid by Mortgagee at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, and intending to be legally and firmly bound hereby, grants, bargains, sells, assigns, aliens, releases, transfers, remises, conveys and mortgages to Mortgagee and its successors and assigns forever, and grants to Mortgagee and its successors and assigns forever, a continuing security interest in and to all of the following rights, interests, claims and property (collectively, "Mortgaged Property"), whether now owned or held or hereafter acquired:

All of Mortgagor's interest in the land described in Schedule A, together with any and all easements, rights-of-way, sidewalks, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, servitudes, licenses, tenements, hereditaments and appurtenances

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whatsoever, in any way belonging, relating or appertaining therein, thereto and thereunder, or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, including, without limitation, all rights with respect thereto, and all reversion and reversions, remainder and remainders thereto (collectively, "Land");

Together with any and all rights of way, fixtures, structures, improvements, tenements and hereditaments of whatever kind or description and whenever situated, now owned by, or at any time hereafter acquired by or for, the Mortgagor and contiguous or appurtenant to any of the Mortgagor's lines of railroad subject to the lien hereof, any and all main, branch, spur, industrial, switch, connecting, storage, yard or terminal tracks, trackage rights or way, easements, estates, superstructures, road beds, bridges, trestles, culverts, viaducts, electrical catenary, buildings, depots, stations, stock yards, warehouses, elevators, car houses, engine houses, freight houses, machine shops and other shops, turntables, fuel stations, water stations, signals, interlocking plants, telegraph and telephone lines, fences, docks, structures and fixtures, and all other things of whatsoever kind and in any way or at any time belonging or appurtenant to, or used in connection with, any of the Mortgagor's lines of railroad or other real property at any time subject to this Mortgage, together with, any and all additions, betterments and improvements to Equipment now or at any time hereafter subject to the lien of this Mortgage, and any and all additions, betterments and improvements hereafter acquired or constructed to or upon or in connection with any of the Mortgagor's lines of railroad or to or upon or in connection with any of the telegraph and telephone and other communication lines, or to or upon or in connection with any other property, real or personal, now or at any time hereafter subject to the lien of this Mortgage (collectively, "Improvements"; said Improvements together with the Land, the "Premises");

Together with any and all leases, leasehold rights, joint facility and other operating or trackage contracts, rights and privileges and amendments, renewals and extensions thereof (collectively, "Leases"), now held or hereafter acquired by the Mortgagor for use in connection with or belonging or appertaining to any of the Mortgagor's lines of railroad now or hereafter subject to the lien of this Mortgage, or relating to the ownership, use or operation of any terminals or other stations situated along, or at the terminus of, any of such lines of railroad;

Together with all of the following (the "Personal Property"): namely, the estate, right, title and interest of every name and nature of the Mortgagor in and to all Equipment (as hereinafter defined), machinery, tools, implements, furniture, work equipment and other chattels now owned or hereafter acquired by the Mortgagor or the title to which is now, or hereafter shall be, vested in the Mortgagor, including all the estate, right, title and

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interest now or hereafter vested in the Mortgagor in and to any and all Equipment, under the Security Agreement (as hereinafter defined);

Together with any and all corporate rights, powers, franchises, privileges and immunities now or hereafter owned or possessed by the Mortgagor which now or at any time hereafter may be necessary for or appurtenant to the use, operation, management, maintenance, renewal, alteration or improvement of the Mortgagor's lines of railroad or any other property now or hereafter subject to the lien of this Mortgage;

Together with any and all telegraph, telephone or other communication lines, or wireless facilities, owned by the Mortgagor, and the right to the use of any and all telegraph, telephone or other communication lines, or wireless facilities, along the Mortgagor's lines of railroad, as they may be used from time to time or may be subject to use by the Mortgagor;

Together with all the rents, issues, tolls, profits and other income from the premises and property herein or hereafter mortgaged and conveyed or assigned or intended so to be;

Together with any and all property of every kind and description (including railroads, leases of railroads, stocks, bonds, or other property of any kind) which at any time hereafter, by Mortgage supplemental hereto, or by writing of any kind, for the purposes herein, may be expressly conveyed, assigned, transferred, mortgaged, pledged, hypothecated, affected or delivered, to the Mortgagee hereunder by the Mortgagor or by a successor corporation, or with its consent by any one on its behalf, as and for additional security;

Together with any and all property whenever located, whether now, or hereafter acquired, together with all replacements therefor, products and proceeds (including, but without limitation, insurance proceeds) thereof, and the Mortgagor's reversionary rights therein, including, but not limited to, all Accounts, Chattel Paper, Contracts, Contract Rights, Documents, Equipment, Fixtures, General Intangibles Instruments, Inventory, rights as seller of Goods and rights to returned or repossessed Goods (all as hereinafter defined);

It is mutually agreed, intended, and declared, that all of the aforesaid Mortgaged Property owned by Mortgagor shall, so far as permitted by law, be deemed to form a part and parcel of the Land 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 Mortgaged property is of a nature so that a security interest therein can be perfected under the Uniform Commercial Code, this instrument shall constitute a security agreement, fixture filing and financing statement, and Mortgagor agrees to execute, deliver

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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. To the extent permitted by law, (i) all of the goods described as fixtures or as constituting fixtures within the definition of Mortgaged Property are or are to become fixtures on the Land; and (ii) this instrument, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of Sections 9-313 and 9-402 of the Uniform Commercial Code.

TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee and its successors and assigns, provided, however, that if Mortgagor shall cause to be paid in full all amounts secured by this Mortgage, Mortgagee shall release the Mortgaged Property from the lien (as hereinafter defined) of this Mortgage.

**C O V E N A N T S:**

Mortgagor hereby covenants and agrees as follows:

**ARTICLE I**

**WARRANTIES, REPRESENTATIONS AND COVENANTS OF MORTGAGOR**

**SECTION 1.1 Payment of Loans.** Mortgagor shall duly and punctually pay or cause to be paid in the manner specified in the Notes and Loan Agreement, the principal, interest, and all other sums due or to become due or required to be paid under or in respect of the Loans and the Loan Agreement.

**SECTION 1.2 Definitions, Good Title and Hazardous Materials.**

**1.2.1** Capitalized terms used in this Mortgage and not defined herein shall have the meaning provided therefor in the Credit Agreement. The following terms shall have the following meanings for all purposes of this Mortgage:

"Accounting Rules" means generally accepted accounting principles, consistently applied, as used in the railroad industry, including, without limitation, such principles from time to time adopted by the Accounting Division of the Association of the American Railroads and by the Interstate Commerce Commission.

"Accounts" means as it is defined in the Uniform Commercial Code.

"Chattel Paper" means as it is defined in the Uniform Commercial Code.

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"Contracts" means as it is defined in the Uniform Commercial Code.

"Contract Rights" means as it is defined in the Uniform Commercial Code.

"Equipment" means all property at the time in question classified as "equipment" in the Accounting Rules and all vehicles, whether or not so classified, which may be used for the transportation of freight or for the carriage of passengers.

"Fixtures" means as it is defined in the Uniform Commercial Code.

"General Intangibles" means as it is defined in the Uniform Commercial Code.

"Goods" means as it is defined in the Uniform Commercial Code.

"Instruments" means as it is defined in the Uniform Commercial Code.

"Interstate Commerce Commission" includes any federal governmental authority which shall at the time exercise powers in regard to railroads similar to those now exercised by the Interstate Commerce Commission.

"Security Agreement" means that certain Security Agreement executed by Mortgagor and Mortgagee of even date herewith.

1.2.2 Mortgagor represents, warrants and covenants that: (i) on and as of the date hereof, it has an interest in said Land and Mortgaged Property sufficient to operate a railroad, with good right, full power and lawful authority to sell, assign, mortgage and convey the same, subject to no mortgage, pledge, security interest, encumbrance, lien or charge of any kind, including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof, any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code or any similar statute other than to reflect ownership by a third party of property leased under a lease not in the nature of a conditional sale or title retention agreement, or any subordination arrangement in favor of any party other than Mortgagor (collectively, "Liens"; each, a "Lien"), except for Permitted Liens as defined in the Loan Agreement existing as of the date hereof including those items defined as "Permitted Liens" in the Loan Agreement and those liens, easements and other matters listed as exceptions to Schedule B of the ALTA Loan Policy in favor of the Mortgagee insuring this Mortgage (collectively, "Prior

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Liens"); (ii) it will keep in effect all rights of way and appurtenant easements to or that constitute a part of the Premises to the extent that a failure to keep the same in effect would have a material, adverse effect on the Mortgaged Property; and (iii) this Mortgage creates and constitutes a valid and enforceable first mortgage lien on and/or first security interest in the Mortgaged Property, subject only to Prior Liens (but not to extensions, amendments, supplements or replacements of Prior Liens unless consented to by Mortgagee), and Mortgagor does now and will forever warrant and defend to Mortgagee and the respective successors and assigns of Mortgagee such title and the validity and priority of the Lien hereby created and evidenced against the claims of all persons and parties whomsoever.

1.2.3 In addition to and not in limitation of the provisions of paragraph 5 of the Recitals of this Mortgage, all of the provisions of Section 4.23 of the Loan Agreement and all covenants, agreements, representations, warranties and indemnifications therein, and any other provisions of the Loan Agreement relating to Environmental Laws, as such term is defined in the Loan Agreement, are hereby expressly incorporated into and made a part of this Mortgage to the same extent as if set forth in full in this Section 1.2.3. From time to time during the term of this Mortgage, upon prior request to Mortgagor, Mortgagee may enter upon the Mortgaged Property for the purpose of conducting such environmental tests as Mortgagee may from time to time in its sole discretion desire to so conduct, provided, however, that Mortgagee shall indemnify and hold harmless Mortgagor from and against any and all claims for personal injury or property damage arising directly as a result of the aforesaid environmental tests.

**SECTION 1.3 Further Documentation to Assure Lien: Fees and Expenses.**

1.3.1 Mortgagor shall, at the sole cost and expense of Mortgagor, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as Mortgagee shall from time to time require, which are necessary in the reasonable judgment of Mortgagee from time to time to assure, perfect, convey, assign, transfer and confirm unto Mortgagee the property and rights hereby conveyed or assigned, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee or facilitating the performance of the terms of this Mortgage, or for filing, registering or recording this Mortgage.

1.3.2 Mortgagor shall pay all filing, registration or recording fees, and all reasonable expenses incident to the execution, acknowledgment, and recording of this Mortgage and any mortgage supplemental hereto, any security instrument with respect to the Personal Property, any Uniform Commercial Code financing statements and continuation statements, and any instrument of

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further assurance required by Mortgagee to be filed, registered or recorded pursuant to this Mortgage.

## SECTION 1.4 Payment of Taxes, Insurance Premiums, Assessments; Compliance with Law and Insurance Requirements.

1.4.1 Unless contested as provided in the Loan Agreement, Mortgagor shall pay and discharge, from time to time when the same shall become due, all real estate and other taxes, special assessments, levies, permits, inspection and license fees, all premiums for insurance, all water and sewer rents and charges, and all other public charges imposed upon or assessed against the Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits of the Mortgaged Property, including, without limitation, those arising in respect of the occupancy, use or possession thereof.

1.4.2 From and after the occurrence and during the continuance of an Event of Default, and so long thereafter as such Event of Default continues, at the option of Mortgagee, to be exercised by notice to Mortgagor, Mortgagor shall deposit with Mortgagee, on the first day of each month, an amount estimated by Mortgagee to be equal to one-twelfth (1/12th) of the annual taxes, assessments and other items required to be discharged by Mortgagor under Section 1.4.1. Such amounts shall be held by Mortgagee without interest to Mortgagor and applied to the payment of the obligations in respect of which such amounts were deposited, in such order or priority as Mortgagee shall determine, on or before the respective dates on which the same or any thereof would become delinquent. Nothing contained in this Section 1.4 shall affect any right or remedy of Mortgagee under any provision of this Mortgage or of any statute or rule of law to pay any such amount and to add the amount so paid, together with interest at the Default Rate (as defined in the Loan Agreement), to the other amounts outstanding in respect of any Loans or relieve Mortgagor of its obligations to make or provide for the payment of the annual taxes, assessments and other charges required to be discharged by Mortgagor under Section 1.4.1.

1.4.3 Unless contested in accordance with Section 1.4.5 (or, if applicable, as provided in the Loan Agreement), Mortgagor shall timely pay all lawful claims and demands of mechanics, materialmen, laborers, government agencies administering worker's compensation insurance, old age pensions, and social security benefits and all other claims, judgments, demands or amounts of any nature which, if unpaid, might result in, or permit the creation of, a Lien on the Mortgaged Property or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom.

1.4.4 Mortgagor has obtained and shall take all action necessary to maintain in force and effect all material permits, consents, approvals, licenses, franchises or other

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instruments including those required by the Loan Agreement (collectively, "Permits") required by any federal, state, municipal or local government or quasi-governmental agency or authority to operate or use and occupy the Premises. Unless contested in accordance with Section 1.4.5, Mortgagor shall comply promptly in all material respects with all requirements set forth in any of the Permits and all requirements of any law, ordinance, rule, regulation or requirement of any federal, state, municipal or local government or quasi-governmental agency or authority applicable to all or any part of the Mortgaged Property or the condition, use or occupancy of all or any part thereof or any restriction imposed upon the Mortgaged Property by any duly recorded deed of restriction, declaration, covenant running with the land or otherwise, now or hereafter in force.

1.4.5 Mortgagor may at its own expense contest the amount or applicability of any of the obligations described in Sections 1.4.3, 1.4.4 and 1.5 by appropriate legal proceedings, prosecution of which operates to prevent the collection thereof or the sale or forfeiture or demolition of the Mortgaged Property or any part thereof to satisfy the same; provided, however, (i) Mortgagor has notified Mortgagee in writing of the intention of Mortgagor to contest the same before any such obligations have been increased by any interest, penalties, or costs; (ii) Mortgagor has obtained a title insurance endorsement over such contested obligations insuring Mortgagee against loss or damage by reason of the existence of such contested obligations or Mortgagor has deposited with Mortgagee, at such place as Mortgagee may from time to time in writing designate, a sum of money or other security acceptable to Mortgagee that is sufficient in Mortgagee's reasonable judgment to pay in full such contested obligations (or to bring the Mortgaged Property in compliance with the obligations under Section 1.4.4) and all penalties and interest that might become due thereon, and shall keep on deposit an amount sufficient, in Mortgagee's judgment, to pay in full such contested obligations, increasing such amount to cover additional penalties and interest whenever, in Mortgagee's reasonable judgment, such increase is advisable; (iii) Mortgagee shall not be exposed to any criminal liability by virtue of such contest; (iv) Mortgagor shall diligently prosecute the contest of such contested obligations by appropriate legal proceedings and shall permit Mortgagee to be represented in any such contest and shall pay all expenses incurred by Mortgagee in so doing, including reasonable fees and expenses of Mortgagee's counsel (all of which shall constitute so much additional Indebtedness bearing interest at the Default Rate, as applicable pursuant to the Loan Agreement, until paid, and payable upon demand); and (v) in the event Mortgagor fails to prosecute such contest with reasonable diligence or fails to maintain sufficient funds on deposit as hereinabove provided, Mortgagee may, at its option, apply the monies and liquidate any securities deposited with Mortgagee, in payment of, or on account of, such contested obligations, or any portion thereof then unpaid,

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including all penalties and interest thereon. If the amount of the money and any such security so deposited is insufficient for the payment in full of such contested obligations, together with all penalties and interest thereon, Mortgagor shall forthwith, upon demand, either deposit with Mortgagee a sum that, when added to such funds then on deposit, is sufficient to make such payment in full, or, if Mortgagee has applied funds on deposit on account of such contested obligations, restore such deposit to an amount reasonably satisfactory to Mortgagee. Mortgagee may, but shall not be required to, pay such deficiency in said deposit for contested obligations and interest and penalties thereon and such other sums as may be necessary in the reasonable judgment of the Mortgagee to obtain the release and discharge of such contested obligations; and any amount expended by Mortgagee in so doing shall be so much additional indebtedness bearing interest at the Default Rate, as applicable pursuant to the Loan Agreement, until paid. In any event, Mortgagor shall cause the contested obligations to be fully satisfied and discharged immediately upon final determination (after all appeal rights have lapsed) of the contest and prior to the time that any sale, forfeiture or demolition of all or any part of the Mortgaged Property could result.

1.4.6 Mortgagor shall not in its use and occupancy of the Premises (including, without limitation, in the making of any "Alterations" (as hereinafter defined)) take any action that would be the basis for termination, revocation or denial of any insurance coverage required to be maintained under this Mortgage or that would be the basis for a successful defense to any claim under any insurance policy maintained in respect of the Premises.

1.4.7 Mortgagor shall, promptly upon receipt of any written notice regarding any failure by Mortgagor to pay or discharge any of the obligations described in Section 1.4.1, 1.4.3, 1.4.4 or 1.4.6, furnish a copy of such notice to Mortgagee.

SECTION 1.5 Payment of Certain Taxes. If the United States, the state in which the Land is located or any political subdivision thereof shall levy, assess or charge any tax, imposition or assessment upon this Mortgage, the Loan Agreement or any other document relating to the Loans or the interest of Mortgagee in the Mortgaged Property, other than income taxes levied or assessed upon Mortgagee, Mortgagor shall pay all such taxes, assessments and impositions to, for, or on account of Mortgagee, when due and payable and shall furnish to Mortgagee, proof of such payment satisfactory to Mortgagee, subject to Mortgagor's right to contest pursuant to Section 1.4.5 hereof.

SECTION 1.6 Required Insurance Policies.

1.6.1 With respect to the Improvements and Personal Property, Mortgagor shall keep and maintain insurance coverages as

required in Section 5.09 of the Loan Agreement, which Sections are incorporated herein by reference.

1.6.2 All insurance policies required by this Section 1.6 shall be in form and issued by companies reasonably satisfactory to Mortgagee and shall comply with all provisions of the Loan Agreement.

1.6.3 Mortgagor shall, promptly upon receipt of any written notice of any failure by Mortgagor to pay any insurance premium in respect of any insurance required to be maintained under this Section 1.6, furnish a copy of such notice to Mortgagee.

**SECTION 1.7 Failure to Make Certain Payments.** If Mortgagor shall fail to perform any of the covenants contained in this Mortgage or any Loan Documents, Mortgagee may, upon five (5) days prior written notice to Mortgagor, make advances to perform the same on its behalf, and all sums so advanced shall be included in the Indebtedness and be secured hereby. Mortgagor shall repay on demand all sums so advanced by Mortgagee on behalf of Mortgagor, with interest at the Default Rate, as applicable pursuant to the Loan Agreement. The provisions of this Section 1.7 or any action taken by Mortgagee pursuant to the provisions of this Section 1.7 shall not prevent any such failure to observe any covenant contained in this Mortgage from constituting an Event of Default.

**SECTION 1.8 Inspection.** Mortgagor shall permit Mortgagee, by its agents, accountants and attorneys, upon reasonable advance notice, written or oral, except in cases of emergency, to visit and inspect the Premises at such reasonable times as may be requested by Mortgagee.

**SECTION 1.9 Mortgagor to Maintain Improvements.** Mortgagor shall not commit any waste on the Premises or make any change in the use of the Improvements or Personal Property or use any of the Land for purposes not related to the current use of the Premises without Mortgagee's prior written consent. Mortgagor shall, at all times, maintain the Premises in good operating order, condition and repair. Except as otherwise provided in Section 1.14 and the Loan Agreement, the Premises shall not be demolished or altered, nor shall any Personal Property be removed without the prior written consent of Mortgagee, except to the extent permitted in the Loan Agreement.

**SECTION 1.10 Mortgagor's Obligations With Respect to Leases.**

1.10.1 Mortgagor shall not without the Mortgagee's prior written consent (i) execute any assignment of any Lease or of the rents or any part thereof from the Premises other than the assignment herein to Mortgagee, (ii) except where the lessee under any Lease is in default thereunder, terminate or consent to the

cancellation or surrender of such Lease, (iii) modify any Lease having an unexpired term of two (2) years or more so as to change the unexpired term thereof or so as to decrease the amount of the rents payable thereunder, (iv) accept any prepayments of any installment of rents to become due under any Lease for a period exceeding one month, (v) permit the deferral of or waive or postpone the payment of any rental payment under any Lease, (vi) permit any transfer or assignment of any Lease or the sublease of the property subject to any Lease without the written consent of Mortgagee, (vii) modify any Lease in any fashion which will impair the value of the Mortgaged Property or the security provided by this Mortgage.

1.10.2 Mortgagor shall at all times timely and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all Leases to be kept and performed by the lessor thereunder and shall at all times do all things necessary to compel performance by the lessee under each Lease of all obligations, covenants and agreements by such lessee to be performed thereunder.

1.10.3 Mortgagor shall furnish to Mortgagee, within thirty (30) days after each request by Mortgagee to do so, a written statement in respect of any or all of the Leases setting forth the space occupied, the rentals payable thereunder, and such other information as the requesting party may reasonably request.

SECTION 1.11 Transfer Restrictions.

1.11.1 Except as may be provided in the Loan Agreement, Mortgagor may not, without Mortgagee's prior written consent, further mortgage, encumber, hypothecate, sell, convey or assign all or any part of the Mortgaged Property or Mortgagor's interest in the Mortgaged Property or lease or sublease the Mortgaged Property or any part thereof or suffer any of the foregoing to occur.

Except as may be provided in the Loan Agreement, Mortgagor shall not create, suffer, or permit to be created or filed against the Mortgaged Property any mortgage lien or other lien superior or inferior to the lien created by this Mortgage. Mortgagor may, within thirty (30) days after the filing thereof, contest any lien claim arising from any work performed, material furnished, or obligation incurred by Mortgagor upon furnishing Mortgagee security and indemnification reasonably satisfactory to Mortgagee for the final payment and discharge of the lien.

Except as may be provided in the Loan Agreement, in the event of a transfer of control of Mortgagor, whether by operation of law, voluntarily, or otherwise or a contract to do any of the foregoing, Mortgagee shall have the unqualified right, at its option, to accelerate the maturity of the Indebtedness, causing the

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entire principal balance, accrued interest, and prepayment premium, if any, to be immediately due and payable, without notice to Mortgagor.

## SECTION 1.12 Destruction; Condemnation.

1.12.1 Destruction; Insurance Proceeds. In case of any damage to, or loss or destruction of, the Improvements and Personal Property or any part thereof (each, a "Destruction"), Mortgagor shall promptly send to Mortgagee a notice setting forth the nature and extent of such Destruction. The proceeds of any insurance payable in respect of such Destruction are hereby assigned and shall be paid to Mortgagee. Except to the extent provided in the Loan Agreement, Mortgagor is hereby authorized and empowered to settle, adjust or compromise any claims for such damage or destruction. All such proceeds, less the amount of any expenses incurred in litigating, arbitrating, compromising or settling any claim arising out of such Destruction ("Net Proceeds"), shall be applied as set forth in Section 5.09 of the Loan Agreement.

1.12.2 Condemnation; Assignment of Award. In the event of any taking of the Mortgaged Property or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any law, general or special, or by reason of the temporary requisition of the use or occupancy of the Mortgaged Property or any part hereof, by any governmental authority, civil or military (each, a "Taking"), Mortgagor shall immediately notify Mortgagee upon receiving notice of such Taking or commencement of proceedings therefor. Except to the extent provided in the Loan Agreement, Mortgagor is hereby authorized and empowered to settle, adjust or compromise any claims for the proceeds in respect of any Taking. Such award or payment, less the amount of any expenses incurred in litigating, arbitrating, compromising or settling any claim arising out of such Taking ("Net Award"), shall be applied in accordance with Section 5.09 of the Loan Agreement.

1.12.3 Interest. For so long as Mortgagee shall be in possession of any Net Award or Net Proceeds, the same shall be invested by Mortgagee, as soon as practicable, in Permitted Investments (as defined in the Loan Agreement). Provided no Event of Default shall have occurred and be continuing, interest on Net Proceeds or Net Awards shall belong and be paid to Mortgagor. During the continuation of an Event of Default, interest on Net Proceeds or Net Awards shall be paid to Mortgagee, to be applied in accordance with and subject to such terms and conditions as are set forth in the Loan Agreement or any "Loan Document," as hereinafter defined.

SECTION 1.13 Operating Agreements. Mortgagor shall provide to Mortgagee, from time to time as requested by Mortgagee, certified copies of every management, operating and other similar

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agreement covering all or substantially all of the Premises. Each such agreement shall be in form and substance acceptable to Mortgagee and shall be subordinate and subject to the Lien of this Mortgage.

**SECTION 1.14 Alterations.** Mortgagor shall have the right to make any and all additions, modifications or changes (each, an "Alteration") to the Premises in such amounts as are permitted under the Loan Agreement, or, if no such amounts are specified, then in an amount less than or equal to Four Hundred Fifty Thousand Dollars (\$450,000) in the aggregate per annum without Mortgagee's prior written consent as may be deemed necessary or desirable by Mortgagor; provided, however, that Mortgagor shall (i) complete all Alterations promptly, in a good and workmanlike manner and in compliance with all applicable local laws, ordinances and requirements, (ii) warrant that said Alterations shall not reduce or impair the value of the Mortgaged Property and (iii) pay when due all claims for labor performed and materials furnished in connection with any Alteration. Mortgagor shall not remove or demolish the Improvements in whole or substantial part, without Mortgagee's prior written consent, which consent shall not be unreasonably withheld, unless pursuant to performance of an Alteration. Any Alteration in excess of Four Hundred Fifty Thousand Dollars (\$450,000) in the aggregate per annum shall require Mortgagee's prior written consent, which consent shall not be unreasonably withheld, and shall be in accordance with such requirements as Mortgagee shall deem necessary including, without limitation, delivery to Mortgagee of comparable documents as those contained in Section 5.09 of the Loan Agreement.

## ARTICLE II

### ASSIGNMENT OF RENTS; SECURITY AGREEMENT

**SECTION 2.1 Assignment of Leases, Rents, Issues and Profits.**

2.1.1 Mortgagor hereby irrevocably confirms and grants, transfers and assigns to Mortgagee, all of Mortgagor's right, title and interest, whether now existing or hereafter acquired, in the Leases, including the right, power and authority to collect the rents, issues, income and profits of the Mortgaged Property. The assignment set forth in the foregoing sentence shall be unconditional and irrevocable except as provided to the contrary in Section 2.1.2.

2.1.2 Notwithstanding the provisions of Section 2.1.1, Mortgagor shall have the right, prior to occurrence of any Event of Default, to collect and retain all rents, issues and profits relating to the Mortgaged Property as the same become due and payable. Upon the occurrence and continuance of any Event of Default, Mortgagee may at any time after five (5) days notice to

Mortgagor either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the Indebtedness, (i) enter upon and take possession of the Premises or any part thereof, and/or (ii) in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, to all or any part of the Indebtedness, and in such order as Mortgagee may determine.

2.1.3 Mortgagee's right to collect the rents, issues and profits upon default by Mortgagor pursuant to this Section 2.1 is in no manner conditional upon Mortgagee first taking possession of the Premises. Should Mortgagee enter and take possession of the Premises, and/or collect the rents, issues and profits and apply the same as provided for herein, such act shall not cure or waive any Event of Default or notice thereof hereunder or invalidate any act done pursuant to such notice. Nothing contained herein, nor any collection of rents, issues and profits by Mortgagee or a receiver, shall be construed to make Mortgagee a "mortgagee-in-possession" so long as Mortgagee has not itself entered into actual possession of the Premises.

2.1.4 Nothing herein shall be construed to impose any liability or obligation on Mortgagee under or with respect to any Lease. Mortgagor shall indemnify and hold Mortgagee harmless from and against any and all liabilities, losses and damages (including, without limitation, reasonable attorney's fees and the allocated costs of staff counsel) incurred under any Lease or by reason of the provisions of this Section 2.1, except to the extent caused by the negligence or wilful misconduct of Mortgagee.

## SECTION 2.2 Security Interest in UCC Property.

2.2.1 This Mortgage shall constitute a security agreement for the purposes of the Uniform Commercial Code, as enacted in the state where the Premises are located, and shall create and evidence a security interest in any and all parts of the Mortgaged Property which are and which are deemed to be governed by the Uniform Commercial Code (the "UCC Property").

2.2.2 Mortgagor, immediately upon the execution and delivery of this Mortgage, and thereafter from time to time as requested by Mortgagee, shall cause this Mortgage, any security instrument creating or evidencing the Lien hereof in the UCC Property, and each instrument of further assurance, including Uniform Commercial Code financing statements and continuation statements, to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to perfect, preserve and protect the Lien hereof upon the UCC Property. In the event Mortgagor fails to exercise such instruments of further assurance

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within ten (10) days after request for execution of the same by Mortgagee, then and in such event Mortgagor hereby appoints and authorizes Mortgagee to act on behalf of Mortgagor upon Mortgagor's failure to comply with the provisions of this Section 2.2.2.

2.2.3 Upon acceleration of the Obligations, as defined in the Loan Agreement, in addition to the remedies set forth in Article 3, Mortgagee, shall have the power to foreclose Mortgagor's right of redemption, if any, in the UCC Property by sale of the UCC Property in accordance with the Uniform Commercial Code as enacted in the state where the Premises are located. It shall not be necessary that any UCC Property offered be physically present at any such sale or constructively in the possession of Mortgagee or the person conducting the sale.

2.2.4 Upon acceleration of the Obligations, Mortgagee may sell the UCC Property or any part thereof at public or private sale with notice to Mortgagor as hereinafter provided. The proceeds of any such sale, after deducting all expenses of Mortgagee in taking, storing, repairing and selling the UCC Property (including, without limitation, reasonable attorneys' fees and the allocated costs of staff counsel) shall be applied in the manner set forth in Section 3.3.3. At any sale, public or private, of the UCC Property or any part thereof, Mortgagee may purchase any or all of the UCC Property offered at such sale.

2.2.5 Mortgagee shall give Mortgagor reasonable notice of any sale of any of the UCC Property pursuant to the provisions of this Section 2.2. Notwithstanding the provisions of Section 4.2, any such notice shall conclusively be deemed to be reasonable and effective if such notice is mailed at least ten (10) days prior to any sale, by first class or certified mail, postage prepaid, to Mortgagor at its address above set forth, or to such other address as Mortgagor may hereafter designate in writing to Mortgagee.

## ARTICLE III

### EVENTS OF DEFAULT AND REMEDIES

SECTION 3.1 Events of Default. Each of the following shall constitute an Event of Default:

3.1.1 If (i) Mortgagor shall fail to make any payment of interest or principal, when and as the same shall become due and payable as set forth in the Loan Agreement or the Notes and such failure shall continue beyond any applicable grace or cure period, or (ii) Mortgagor shall fail to make any other payment to be paid by it under the Loan Agreement or the Loan Agreements (as defined in the Loan Agreement) (collectively, "Loan Documents";

each, a "Loan Document") when and as the same shall become due and payable.

3.1.2 If Mortgagor shall fail to perform or observe any term, condition or covenant hereof (other than a failure of the type described in Section 3.1.1) and, if capable of being remedied, such failure shall continue unremedied for thirty (30) days, provided that in the event such failure is incapable of being cured within said thirty (30) day period and Mortgagor commences to cure said failure within said thirty (30) day period and thereafter diligently proceeds to cure said failure, such failure shall not (to the extent that said failure is not otherwise an Event of Default under the Loan Agreement) constitute an Event of Default, provided that in any event said failure shall be cured within sixty (60) days after its occurrence.

3.1.3 If there shall occur (i) under any of the Loan Documents an "Event of Default" (as such term is defined in the appropriate Loan Document), or (ii) under any lease, mortgage, covenant or agreement affecting the Premises which is superior in priority to this Mortgage, any default which is not cured prior to the expiration of any applicable grace or cure period set forth in such lease, mortgage, covenant or agreement.

**SECTION 3.2 Remedies in Case of an Event of Default.**  
If an Event of Default shall have occurred and is continuing, Mortgagee may, without notice except as otherwise provided in the Loan Agreement, in addition to any other action, take one or more of the following actions:

3.2.1 by written notice to Mortgagor, declare the entire unpaid amount of the Indebtedness to be due and payable immediately;

3.2.2 personally, or by its agents or attorneys, enter into and upon all or any part of the Premises, and each and every part thereof, and exclude Mortgagor, its agents and servants wholly therefrom; and then use, operate, manage and control the Premises and conduct the business thereof, either personally or by its agents, attorneys or receivers or by a referee appointed by a duly acting court on the application of Mortgagee and on every such entry, from time to time, may maintain and restore the Mortgaged Property, and likewise, from time to time, Mortgagee may make all necessary or proper repairs, renewals and replacements and such useful Alterations thereto and thereon as Mortgagee may deem advisable; and in every such case Mortgagee shall have the right to manage, lease and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of Mortgagor with respect thereto either in the name of Mortgagor or otherwise; and Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof, all of which shall for

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all purposes constitute property of Mortgagor; and after deducting the reasonable expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation for the services of Mortgagee and its attorneys, counsel, agents, clerks, servants and other employees, Mortgagee shall apply the moneys arising as aforesaid, first, to the payment of all amounts due under the Loan Documents other than principal and interest in respect of the Loans; second, to the payment of the interest due in respect of the Loans; and third, to the outstanding principal amount of the Loans;

3.2.3 with or without entry, personally or by its agents or attorneys, to the extent permitted by law, (i) sell the Mortgaged Property and all estate, right, title and interest, claim and demand therein at one or more sales as an entity or in parcels, and at such time and place upon such terms and after such notice thereof as may be required or permitted by law, or (ii) institute and prosecute proceedings for the complete or partial foreclosure of this Mortgage; or

3.2.4 take such steps to protect and enforce its rights whether by action, suit or proceeding at law or in equity for the specific performance of any covenant, condition or agreement in the Loan Documents, or in aid of the execution of any power granted in this Mortgage, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect.

3.2.5 in case of the occurrence of any Event of Default, the Mortgagee, either before or after acceleration of the Indebtedness or the foreclosure of the lien hereof and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein, in the Notes, any of the Loan Documents, or any document or instrument related thereto which is required of the Mortgagor in any form and manner deemed expedient to the Mortgagee; and the Mortgagee may, but shall not be required to, make full or partial payments of principal or interest on any permitted prior mortgage or encumbrances and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises, or contest any of the same, and may, but shall not be required to, complete construction, furnishing and equipping of the Improvements upon the Premises and rent, operate and manage the premises and such Improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises and Improvements shall be operational and usable for their intended purposes. The Mortgagee may, but shall not be required to, notify any person obligated to the Mortgagor under or with respect to any

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third party agreements of the existence of the Event of Default and require that performance be made directly to the Mortgagee at the Mortgagor's expense and advance such sums as are necessary or appropriate to satisfy the Mortgagor's obligations thereunder; and Mortgagor agrees to co-operate with the Mortgagee to accomplish the foregoing. All monies paid for any of the purposes herein authorized, and all expenses paid or incurred in connection therewith, including attorneys' fees and any other monies advanced by the Mortgagee to protect the Premises and the lien hereof, or to complete construction, furnishing and equipping or to rent, operate and manage the Premises and such Improvements or to pay any such operating costs and expenses thereof or to keep the Premises and Improvements operational and usable for their intended purposes, shall be so much additional secured Indebtedness, whether or not they exceed the amount of the Notes and shall become immediately due and payable without notice, and with interest thereof at the Default Rate. The Mortgagee, in making any payment hereby authorized: (a) for the payment of Impositions, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) for the completion of construction, furnishing or equipping of the improvements or the Premises or the rental, operation or management of the Premises or the payment of operating cost and expenses thereof, may do so in such amounts and to such persons as Lender may deem appropriate and may enter into such contracts therefor as Lender may deem appropriate or may perform the same itself.

All advances, disbursements and expenditures (collectively "advances") made by Mortgagee after the occurrence of an Event of Default and before and during foreclosure, prior to sale, and where applicable, after sale, for the following purposes, including interest thereon at the Default Rate, are hereinafter referred to as "Protective Advances":

- (1) Advances pursuant to this Section 5.06.
- (2) Excess restoration costs which shall be any amount expended by Mortgagee in restoring the Mortgaged Property in excess of the actual or estimate proceeds of insurance or condemnation, which excess shall constitute additional Indebtedness (but nothing in this subparagraph (2) shall impose an obligation on the Mortgagee to restore the Mortgaged Property beyond that imposed by the Loan Agreement);
- (3) Advances in accordance with the terms of this mortgage to: (a) protect, preserve or restore the mortgaged real estate; (b) preserve the lien of this mortgage or the priority thereof; or (c) enforce this Mortgage, as referred to in Subsec-

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tion (b) (5) of Section 15-1302 of the Illinois Mortgage Foreclosure Law, Ill. Rev. Stat., Ch. 110, Sections 15-1101 et seq. (as amended from time to time, the "Act");

(4) Payments of when due installments of principal, interest or other obligations in accordance with the terms of any senior mortgage (as described in Subsection (a) of Section 15-1505 of the Act) or other lien or encumbrance upon the Property or any part thereof on a parity with or prior or superior to the lien hereof ("Prior Encumbrance"); when due installments of real estate taxes and other impositions under Section 1.4 of this Mortgage ("impositions"), ground rents and other sums payable under any Ground Lease and other obligations authorized by this Mortgage; or, with court approval any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, all as referred to in this subsection 3.2.5 of this Mortgage and in Section 15-1505 of the Act;

(5) Attorneys' fees and other costs incurred in connection with: (a) exercise of Mortgagee's rights to make Protective Advances; (b) the foreclosure of this Mortgage as referred to in Sections 1504 (d)(2) and 15-1510 of the Act; (c) any other litigation or administrative proceeding to which the Mortgagee may be or become or be threatened or contemplated to be a party, including probate and bankruptcy proceedings; or (d) in the preparation for the commencement or defense of any such suit or proceeding; including filing fees, appraisers' fees, outlays for documents and expert evidence, witness fees, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of judgment) of procuring all such abstracts of title, title charges and examinations, foreclosure minutes, title insurance policies, Torrens certificates, appraisals, and similar data and assurances with respect to title and value as Mortgagee may deem reasonably necessary either to prosecute or defend such suit or, in case of foreclosure, to evidence to bidders at any sale which may be had pursuant to the foreclosure judgment the true condition of the title to or the value of the Property;

(6) Mortgagee's fees and costs arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b) (1) of Section 15-1508 of the Act;

(7) Payment by Mortgagee of any impositions as may be required by this Mortgage;

(8) Mortgagee's advances of any amount required to make up a deficiency in deposits for installments of impositions as may be required by this Mortgage;

(9) Expenses deductible from proceeds of sale referred to in Subsections (a) and (b) of Section 15-1512 of the Act.



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(10) Expenses incurred and expenditures made by Mortgagee for any one or more of the following: (a) premiums upon casualty and liability insurance made by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required without regard to the limitation to maintaining of insurance in effect at the time any receiver or mortgagee takes possession of the Property imposed by Subsection (c)(1) of Section 15-1704 of the Act; (b) payments required or deemed by Mortgagee to be for the benefit of the Property or required to be made by the owner of the Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Property; (c) shares or common expense assessments payable to any association or corporation in which the owner of the Property is a member in any way affecting the Property; (d) operating deficits incurred by Mortgagee in possession or reimbursed by Mortgagee to any receiver; (e) all amounts paid to any public authority for the use or occupancy of any street, alley, or public way; and (f) any monies expended in excess of the Notes as otherwise authorized pursuant to the Loan Documents.

All Protective Advances shall be so much additional secured indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon until paid at the Default Rate.

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time the Mortgage is recorded pursuant to subsection (b)(1) of Section 15-1302 of the Act.

The Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to:

(a) Determination of amount of the secured indebtedness of this Mortgage at any time;

(b) Inclusion of the same in the indebtedness found due and owing to the Mortgagee in the judgment of foreclosure and any subsequent amendment of such judgment, supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being hereby agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(c) If right of redemption has not been waived by this Mortgage, computation of amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 15-1603 of the Act;

(d) Determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act;

(e) Application of income in the hands of any receiver or mortgagee in possession; and

(f) Computation of any deficiency judgment pursuant to Subsections (e) and (b)(2) of Section 15-1508 and Section 15-1511 of the Act.

**SECTION 3.3 Sale of Mortgaged Property if Event of Default Occurs; Proceeds of Sale.**

3.3.1 On the completion of any sale or sales by Mortgagee made under or by virtue of this Article 3, Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument or instruments conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold. Mortgagee is hereby irrevocably appointed the true and lawful agent and attorney of Mortgagor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold, and for that purpose Mortgagee may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, and Mortgagor hereby ratifies and confirms all that Mortgagee, acting as its attorney, or any such substitute shall lawfully do by virtue hereof. This power of attorney is coupled with the interest of Mortgagee created by this Mortgage. Mortgagor shall ratify and confirm any such sale or sales by executing and delivering to Mortgagee or to such purchaser or purchasers all instruments as may be reasonably requested for such purpose. Any such sale or sales made under or by virtue of this Article 3 shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Mortgagor.

3.3.2 In the event of any sale made under or by virtue of this Article 3, the entire principal of, and interest in respect of the Loans, if not previously due and payable, and all other sums required to be paid by Mortgagor pursuant to the Loan Documents, shall, at the option of Mortgagee, immediately become due and payable, anything in this Mortgage to the contrary notwithstanding.

3.3.3 Subject to the following sentence, the proceeds of any sale made under or by virtue of this Article 3, together with any other sums which then may be held by Mortgagee

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under this Mortgage, whether under the provisions of this Article 3 or otherwise, shall be applied as provided in the Loan Agreement, and to the extent not so provided, as follows:

First: to the payment of the costs and expenses of such sale, including reasonable compensation to Mortgagee, its agents and attorneys, and of any judicial or private proceedings in which such sale may be made, and of all other expenses, liabilities and advances made or incurred by Mortgagee, together with interest at the Default Rate on such costs, expenses and liabilities and on all advances made by Mortgagee from the date any such cost, expense or liability is due, owing or unpaid or any such advance is made, in each case until paid in full;

Second: to the payment of all amounts then due, owing or unpaid under the Loan Agreement, other than interest and principal in respect of the Loans and amounts payable under subparagraph "First" above, together with interest on each such amount at the Default Rate from and after the date such amount is due, owing or unpaid until paid in full;

Third: to the payment of the interest then due, owing or unpaid in respect of the Loans, together with, to the maximum extent permitted by law, interest thereon at the Default Rate, as applicable pursuant to the Loan Agreement, from the date such amount is due, owing or unpaid until paid in full;

Fourth: to the payment of the whole amount of principal then due, owing or unpaid in respect of the Loans, to be applied in accordance with the applicable provisions of the Loan Agreement, from and after the happening of any Event of Default until paid in full; and

Fifth: the surplus, if any, to be paid to whomever lawfully may be entitled to receive such surplus.

3.3.4 Mortgagee may bid for and acquire the Mortgaged Property or any part thereof at any sale made under or by virtue of this Article 3 and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting against the purchase price the unpaid amounts due and owing in respect of the Loans, after deducting from the sales price the expenses of the sale and the costs of the action or proceedings and any other sums that Mortgagee is authorized to deduct under this Mortgage.

3.3.5 Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of this Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales, and, except as otherwise provided by any applicable provision of law, Mortgagee, without further notice

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or publication, may make such sale at the time and place to which the same shall be so adjourned.

## SECTION 3.4 Mortgagee's Additional Remedies in Case of an Event of Default.

3.4.1 Mortgagee shall be entitled to recover judgment as aforesaid either before, after or during the pendency of any proceedings for the enforcement of the provisions of this Mortgage, and the right of Mortgagee to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Mortgage, or the foreclosure of the Lien of this Mortgage. In case of proceedings against Mortgagor in insolvency or bankruptcy or any proceedings for its reorganization or involving the liquidation of its assets, Mortgagee shall be entitled to prove the whole amount of principal and interest due in respect of the Loans to the full amount thereof and all other payments, charges and costs due under the Loan Documents, without deducting therefrom any proceeds obtained from the sale of the whole or any part of the Premises; provided, however, that in no case shall Mortgagee receive a greater amount than the aggregate of such principal, interest and such other payments, charges and costs (with interest at the Default Rate) from the aggregate amount of the proceeds of the sale of the Mortgaged Property and the distribution from the estate of Mortgagor.

3.4.2 Any recovery of any personal judgment against Mortgagor by Mortgagee and any levy of any execution under any personal judgment against Mortgagor upon the Mortgaged Property shall not affect in any manner or to any extent the Lien of this Mortgage upon the Mortgaged Property or any part thereof, or any Liens, powers, rights and remedies of Mortgagee hereunder, but such Liens, powers, rights and remedies shall continue unimpaired as before.

3.4.3 Any moneys collected by Mortgagee under this Section 3.4 shall be applied in accordance with the provisions of Section 3.3.3 hereof.

## SECTION 3.5 Legal Proceedings After an Event of Default.

3.5.1 Upon the occurrence and during the continuance of an Event of Default, Mortgagee shall be entitled forthwith as a matter of right, either before or after declaring the Indebtedness or any part thereof to be due and payable, to the appointment of a receiver without giving notice to any party, without regard to the adequacy or inadequacy of any security for the Indebtedness, without requiring bond, without regard to the solvency or insolvency of any person liable for payment of the Indebtedness, and without regard to the then value of the Mortgaged

Property 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 Loans hereby secured is made) for the benefit of Mortgagee, with power to collect the rents, issues and profits of the Mortgaged Property, due and to become due, during any 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 Mortgaged Property, prior and subordinate 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 Mortgaged Property, and may pay all or any part of the Indebtedness or other sums secured hereby or any deficiency decree entered in any foreclosure proceedings. Such receiver shall have all powers and duties prescribed by Section 15-1704 of the Act, including the power to make leases to be binding upon all parties, including the Mortgagor after redemption, the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the mortgaged real estate after entry of a judgment of foreclosure, all as provided in Subsection (g) of Section 15-1701 of the Act. In addition, such receiver shall also have the following powers: (a) to extend or modify any then existing leases, which extensions and modifications may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the secured Indebtedness and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption, discharge of the mortgage indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser; and (b) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of the period of receivership. The court from time to time, either before or after entry of judgment of foreclosure, may authorize the receiver to apply the net income in his hands in payment in whole or in part of (a) the secured Indebtedness, or any amounts included in any judgment of foreclosure or supplemental judgment or other item for which Mortgagee is authorized to make a Protective Advance, and (b) the deficiency in case of a sale and deficiency.

3.5.2 Mortgagor waives and releases any and all benefits that may accrue to the Mortgagor by virtue of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, nor claim,

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take or insist on any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales of the Mortgaged Property which may be made pursuant to this Mortgage, or pursuant to any decree, judgment or order of any court of competent jurisdiction. Mortgagor shall not, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof. Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power granted or delegated to Mortgagee by this Mortgage, but to suffer and permit the execution of every such power as though no such law or laws had been made or enacted. Mortgagor, for itself and all who may claim under it, waives, to the extent permitted by law, all right to have the Mortgaged Property marshaled on any foreclosure of this Mortgage. Mortgagor acknowledges that the Premises do not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act. Mortgagor hereby waives any and all right of redemption pursuant to Section 15-1601 (b) of the Act.

SECTION 3.6 Remedies Not Exclusive. No remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Mortgage or now or hereafter existing at law or in equity. Any delay or omission of Mortgagee to exercise any right or power accruing on any Event of Default shall not impair any such right or power and shall not be construed to be a waiver of or acquiescence in any such Event of Default. Every power and remedy given by this Mortgage may be exercised from time to time as often as may be deemed expedient by Mortgagee. If Mortgagee accepts any moneys required to be paid by Mortgagor under this Mortgage after the same becomes due, such acceptance shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums secured by this Mortgage or to declare an Event of Default with regard to subsequent defaults. If Mortgagee accepts any moneys required to be paid by mortgagor under this Mortgage in an amount less than the sum then due, such acceptance shall be deemed an acceptance on account only and on the condition that it shall not constitute a waiver of the obligation of Mortgagor to pay the entire sum then due, and if the failure to pay the entire sum has given rise to an Event of Default, then Mortgagor's failure to pay the entire sum then due shall be and continue to be an Event of Default notwithstanding acceptance of amount on account.

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## ARTICLE IV

### CONCERNING THE MORTGAGEE

SECTION 4.1 Mortgagee as a Bank. With respect to any Loans made by it and its rights and obligations under the Loan Documents, Mortgagee shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Bank, and all as more fully set forth in the Loan Agreement. The term "Banks," "Bank," or any similar terms shall, unless the context clearly otherwise indicates, include Mortgagee in its individual capacity as a Bank. Mortgagee may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with Mortgagor and any entity related to or affiliated with Mortgagor to the same extent as if Mortgagee were not acting as agent pursuant hereto and the Loan Documents.

## ARTICLE V

### MISCELLANEOUS

SECTION 5.1 Severability. In the event any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of Mortgagee, not affect any other provision of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. The invalidity of any provision of this Mortgage in any one jurisdiction shall not affect or impair in any manner the validity of such provision in any other jurisdiction.

SECTION 5.2 Notices. All notices, demands, instructions and other communications required or permitted to be given to or made upon any party named herein shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or by a reputable courier delivery service, or by prepaid telex, TWX or telegram (with messenger delivery specified in the case of a telegram), or by telecopier, and shall be deemed to be given for purposes of this Mortgage on the day that such writing is delivered or if mailed, three (3) days after being sent, to the intended recipient thereof in accordance with the provisions of this Section 5.2. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 5.2, notices, demands, instructions and other communications in writing shall be given to or made upon the respective parties named herein at their respective addresses (or to their respective telex, TWX or telecopier numbers) indicated below:

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(1) If to Mortgagor:

Chicago SouthShore & South Bend Railroad Co.  
North Carroll Avenue  
Michigan City, Indiana 46360-5082  
Attn: President

with a copy to:

Kirkland & Ellis  
200 East Randolph Street  
Chicago, Illinois 60601  
Attn: Nancy S. Kornick, Esq.

If to Mortgagee:

Bank of America National Trust  
and Savings Association  
Payment Services Operations - #5693  
1850 Gateway Boulevard  
Concord, California 94520  
Attn: Atlanta Corporate Office  
Account Administrator  
Telex: 34144

with a copy to:

Bank of America National Trust  
and Savings Association  
Atlanta Corporate Office  
230 Peachtree Street, N.W.  
Suite 1700  
Atlanta, Georgia 30303  
Telex: 804345 or 804562

or to such other address as each party designates to the other in the manner herein prescribed.

SECTION 5.3 Covenants to Run with the Land. All of the grants, covenants, terms, provisions and conditions in this Mortgage shall run with the land and shall apply to, bind and inure to the benefit of, the successors and assigns of Mortgagor and Mortgagee.

SECTION 5.4 Captions: Gender and Number. The captions and section headings of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof. All terms contained herein shall be construed, whenever the context of this Mortgage so requires, so that the singular shall be construed as the plural and so that the masculine shall be construed as the feminine.

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**SECTION 5.5 Limitation on Interest Payable.** Notwithstanding any provision to the contrary contained in the Loan Documents, the Mortgagor shall not be required to pay and the Mortgagee shall not be permitted to collect any amount in excess of the maximum amount of interest permitted by law ("Excess Interest"). If any Excess Interest is provided for or determined to have been provided for by a court of competent jurisdiction in the Loan Documents, then in such event (A) the provisions of this subparagraph shall govern and control; (B) neither the Mortgagor nor any guarantor or endorser shall be obligated to pay any Excess Interest; (C) any Excess Interest that the Mortgagee may have received hereunder shall be, at the Mortgagee's option, (1) applied as a credit against the outstanding principal balance of the Indebtedness or accrued and unpaid interest (not to exceed the maximum amount permitted by law), (2) refunded to the payor thereof, or (3) any combination of the foregoing; (D) the interest rate(s) provided for herein shall be automatically reduced to the maximum lawful rate allowed under applicable law, and the Loan Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction; and (E) neither Mortgagor nor any guarantor or endorser shall have any action against the Mortgagee for any damages arising out of the payment or collection of any Excess Interest.

**SECTION 5.6 Indemnification; Reimbursement.** Mortgagor shall reimburse Mortgagee, upon demand, for all reasonable costs and expenses incurred by Mortgagee in connection with the administration and enforcement of this Mortgage, and shall indemnify and hold harmless Mortgagee, upon demand, from and against any and all losses, liability (including liabilities for penalties), actions, suits, proceedings, judgments, demands, reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and the reasonably allocated costs of staff counsel) incurred by Mortgagee hereunder or in connection herewith, unless a court of competent jurisdiction shall determine such liability is properly due to the willful misconduct, gross negligence or bad faith of Mortgagee. In the event Mortgagor shall fail to perform any act or thing which it has covenanted to do hereunder or any warranty on the part of Mortgagor contained herein shall be breached, Mortgagee may (but shall not be under obligation to), after five (5) days prior written notice to Mortgagor, do the same or cause it to be done or remedy any such breach, and may expend its funds for such purpose. Any and all amounts so expended by Mortgagee shall be repayable to it by Mortgagor upon demand therefor, with interest at the Default Rate. If any action or proceeding is commenced to which action or proceeding Mortgagee is made a party or in which it becomes necessary to defend or uphold the Lien of this Mortgage, Mortgagor shall, on demand, reimburse Mortgagee for all reasonable expenses (including, without limitation, reasonable attorneys' fees and the reasonably allocated costs of staff counsel) incurred by Mortgagee in any such action or proceeding. In any action or proceeding to foreclose this

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Mortgage or to recover or collect the Indebtedness, the provisions of law relating to the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant. Mortgagor's obligations under this Section 5.6 shall survive the satisfaction of this Mortgage and the discharge of Mortgagor's other obligations hereunder. The provisions of this Section 5.6 shall not be construed in limitation of any other provision in any Loan Document.

SECTION 5.7 Choice of Law. The internal laws of the State of Illinois shall govern all matters hereunder.

SECTION 5.8 No Merger. The rights and estate created by this Mortgage shall not, under any circumstances, be held to have merged into any other estate or interest now owned or hereafter acquired by Mortgagee unless Mortgagee shall have consented to such merger in writing.

SECTION 5.9 Counterparts. This Mortgage may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original. All such counterparts shall together constitute but one and the same instrument.

SECTION 5.10 Changes in Writing. This Mortgage may not be modified, amended, discharged or waived in whole or in part except by an instrument in writing signed by (i) Mortgagor, to the extent any modification, amendment, discharge or waiver is sought to be enforced against Mortgagor, and (ii) Mortgagee, to the extent any modification, amendment, discharge or waiver is sought to be enforced against Mortgagee.

SECTION 5.11 Business Loans. Mortgagor certifies and agrees that the proceeds of the Notes secured by this Mortgage will be held for the purposes specified in Illinois Revised Statutes, Chapter 17, Section 6404(1)(c), and that the principal obligation secured hereby constitutes a "business loan" within the definition and purview of that Section.

SECTION 5.12 Priority of Lien for Future Advances. This Mortgage may secure all future advances as shall be made at all times by the Banks to or for the benefit of Mortgagor to the same extent as if such future advances were made on the date of execution of this Mortgage. The maximum aggregate principal amount of all advances under the Loan Agreement (including all amounts that may be advanced hereunder in accordance with the provisions hereof) that may be outstanding at any time is Forty-Five Million Dollars (\$45,000,000.00). Mortgagee, for the benefit of the Banks, has bound itself and by acceptance hereof does bind itself, as agent for the Banks, to make advances pursuant to and subject to the terms of the Loan Agreement. The parties hereby acknowledge and intend that all advances, including future advances whenever

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hereafter made (including those resulting from the Letter of Credit) shall be a lien from the time this Mortgage is executed and recorded, as provided in Section 15-1302(b)(1) of the Act.

**SECTION 5.13 Partial Releases for NICTD Property.** Section 1.1(d) of the Security Agreement (the "Security Agreement") executed by Mortgagor and Mortgagee, for itself and as agent for the Banks, refers in Section 1.1(d) therein to: (i) that certain Memorandum Agreement dated September 27, 1989 (the "NICTD Agreement") by and between the Northern Indiana Commuter Transportation District, a municipal corporation ("NICTD") and the Anacostia & Pacific Company, Inc.; and (ii) that certain Option Agreement (the "Option Agreement") of even date herewith executed by NICTD and Mortgagor. Notwithstanding anything to the contrary contained or implied in this Mortgage, if NICTD or a Permitted Assignee (as hereinafter defined) exercises any or all of its options to purchase those portions of the Mortgaged Property subject to the option granted to NICTD pursuant to Sections 2.3(a) and Article IX of the Memorandum Agreement (the "Option Parcels"), then and in such event Mortgagor shall release the Option Parcels from the lien of this Mortgage (said releases hereinafter the "Partial Releases") provided: (i) said Partial Releases are only issued in accordance with the NICTD Agreement as in effect on the date hereof, without any amendment or modification thereto; and (ii) the proceeds payable by NICTD or the Permitted Assignee for said Option Parcels are applied in accordance with Section 2.08 of the Loan Agreement. The term "Permitted Assignee" shall only be deemed to mean a wholly owned subsidiary of NICTD permitted under the Loan Agreement.

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IN WITNESS WHEREOF, this instrument is executed as of the day and year first above written.

THE MORTGAGOR HEREBY DECLARES AND ACKNOWLEDGES THAT THE MORTGAGOR HAS RECEIVED, WITHOUT CHARGE, A TRUE COPY OF THIS MORTGAGE.

MORTGAGOR:

CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO., an Indiana general partnership

By: JOF TRANSPORTATION CO., an Indiana corporation and one of its general partners

By: *[Signature]*  
Its: Vice President and CEO

By: SOUTHSORE CORPORATION, a Delaware corporation and one of its general partners

By: *[Signature]*  
Its: President

HDS425/D4/December 28, 1989/Shapiro6/mvg/II

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STATE OF Illinois )  
COUNTY OF Cook ) SS.

I, ELEANOR CRASOLI, a Notary Public in and for the State of Illinois, certify that J. M. Springer and --- personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the instrument as the Vice President and --- of JOF TRANSPORTATION CO., an Indiana corporation and a general partner of CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO., an Indiana general partnership; that the instrument was signed and sealed on behalf of the partnership by said general partner corporation by authority of the corporation's Board of Directors; and that such officers acknowledged execution of the instrument to be their free and voluntary act, and the free and voluntary act of said partnership, for the uses and purposes therein set forth.

Dated: December 29, 1989

Eleanor Crasoli  
Notary Public

My Commission Expires: April 27, 1991

Notary Public of Cook County Clerk's Office

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INCLUDED PARCEL No. 1 [Burnham Yard]

LOTS 22 TO 47 AND THE WEST 9 FEET OF LOT 48 AND THAT PART OF LOT 51 LYING WEST AND NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT IN THE COMMON RIGHT-OF-WAY LINE OF THE CHICAGO SOUTH SHORE AND SOUTH BEND RAILROAD AND THE INDIANA HARBOR BELT RAILROAD, 66.00 FEET WEST OF THE INDIANA-ILLINOIS STATE LINE AND 29.58 FEET SOUTH OF THE INTERSECTION OF THE SOUTH LINE OF GOSTLIN STREET (PRODUCED) AND SAID RIGHT-OF-WAY LINE, SAID POINT ALSO BEING 39.20 FEET WEST OF THE CENTER LINE OF MAIN TRACT OF THE INDIANA HARBOR BELT RAILROAD; THENCE WITH THE SAID RIGHT-OF-WAY LINE, 66.00 FEET FROM AND PARALLEL TO SAID STATE LINE, DUE SOUTH 184.27 FEET TO THE CHICAGO AND WESTERN INDIANA RAILROAD RIGHT-OF-WAY LINE; THENCE ALONG THE CHICAGO AND WESTERN INDIANA RAILROAD RIGHT-OF-WAY LINE NORTH 89 DEGREES 00 MINUTES WEST, 146.80 FEET TO THE NORTH WEST CORNER OF SAID LOT 51 ALL IN S. WILLIAM ESCHENBERG'S STATE LINE ADDITION TO HEGEWISCH IN THE SOUTH 1/2 OF THE SOUTH EAST FRACTIONAL 1/4 OF SECTION 5, TOWNSHIP 16 NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTHEAST OF THE CHICAGO AND WESTERN INDIANA RAILROAD, IN COOK COUNTY, ILLINOIS. (EXCEPT THE PART THEREOF FALLING WITHIN THE SOUTHWESTERLY 80 FEET OF LOTS 37 AND 38 AFORESAID) AND (EXCEPT THE PART THEREOF FALLING WITHIN THE REAR 16 FEET OF LOTS 42 AND 43 AFORESAID.)

AND:

THE SOUTH AND SOUTHWESTERLY 1/2 OF VACATED HOWARD AVENUE LYING NORTH AND NORTHEASTERLY OF AND ADJOINING LOTS 22 TO 47 AND THE WEST 9 FEET OF LOT 48 IN S. WILLIAM ESCHENBERG'S STATE LINE ADDITION TO HEGEWISCH IN THE SOUTH 1/2 OF THE SOUTH EAST FRACTIONAL 1/4 LYING NORTH EAST OF THE CHICAGO AND WESTERN INDIANA RAILROAD, IN COOK COUNTY, ILLINOIS.

P.L.N. #'s: 30-05-402-024  
30-05-402-027  
30-05-402-028  
30-05-402-031

Address: Ferdinand Ave.  
& Howard Ave,  
Burnham, IL

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EXHIBIT A

EXHIBIT A CONTINUED

PARCEL 1:

CERTAIN PROPERTY OF THE CHICAGO SOUTH SHORE AND SOUTH BEND RAILROAD SITUATED IN THE NORTH HALF OF THE NORTH EAST QUARTER OF SECTION 36, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, SAID PROPERTY LYING NORTHERLY OF AND ADJACENT TO THE OPERATING RIGHT-OF-WAY OF THE KENSINGTON AND EASTERN RAILROAD COMPANY IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WEST LINE OF SAID NORTH HALF OF THE NORTH EAST QUARTER 30 FEET SOUTH FROM THE NORTH WEST CORNER OF SAID NORTH HALF OF THE NORTHEAST QUARTER, AND RUN SOUTH ALONG SAID WEST LINE, 221.9 FEET TO THE NORTH LINE OF THAT TRACT OF LAND CONVEYED BY THE FORMER ILLINOIS CENTRAL RAILROAD COMPANY TO THE KENSINGTON AND EASTERN RAILROAD COMPANY BY DEED DATED APRIL 9, 1908 AND RECORDED IN DEED BOOK 10402 AT PAGE 96 AS DOCUMENT NO. 4232451; THENCE EASTERLY ALONG SAID NORTH LINE APPROXIMATELY 2328 FEET TO THE SOUTH WEST CORNER OF A 25 FOOT WIDE STRIP OF LAND CONVEYED BY SAID FORMER ILLINOIS CENTRAL RAILROAD COMPANY TO THE NEW YORK, CHICAGO AND ST. LOUIS RAILROAD COMPANY BY DEED DATED AUGUST 12, 1926; THENCE NORTHWESTERLY ALONG THE SOUTH WEST LINE OF SAID 25 FOOT WIDE STRIP, 300 FEET, MORE OR LESS, TO A POINT IN THE SOUTH LINE OF THE NORTH 30 FEET OF SAID NORTH HALF OF THE NORTH EAST QUARTER; THENCE WEST ALONG SAID SOUTH LINE, 2122 FEET, MORE OR LESS, TO RETURN TO THE POINT OF BEGINNING.

A/K/A

THAT PART OF THE NORTH EAST 1/4 OF SECTION 36, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING WEST OF THE WESTERLY LINE OF THE NEW YORK CHICAGO AND ST. LOUIS RAILROAD RIGHT OF WAY AND NORTH OF THE NORTH LINE OF THE KENSINGTON AND EASTERN RAILROAD COMPANY PROPERTY (EXCEPT THE NORTH 50 FEET FROM 130TH STREET) IN COOK COUNTY, ILLINOIS.

P.F.N. # 35-36-100-018

Address: 130th & Torrence, Chicago, Ill.

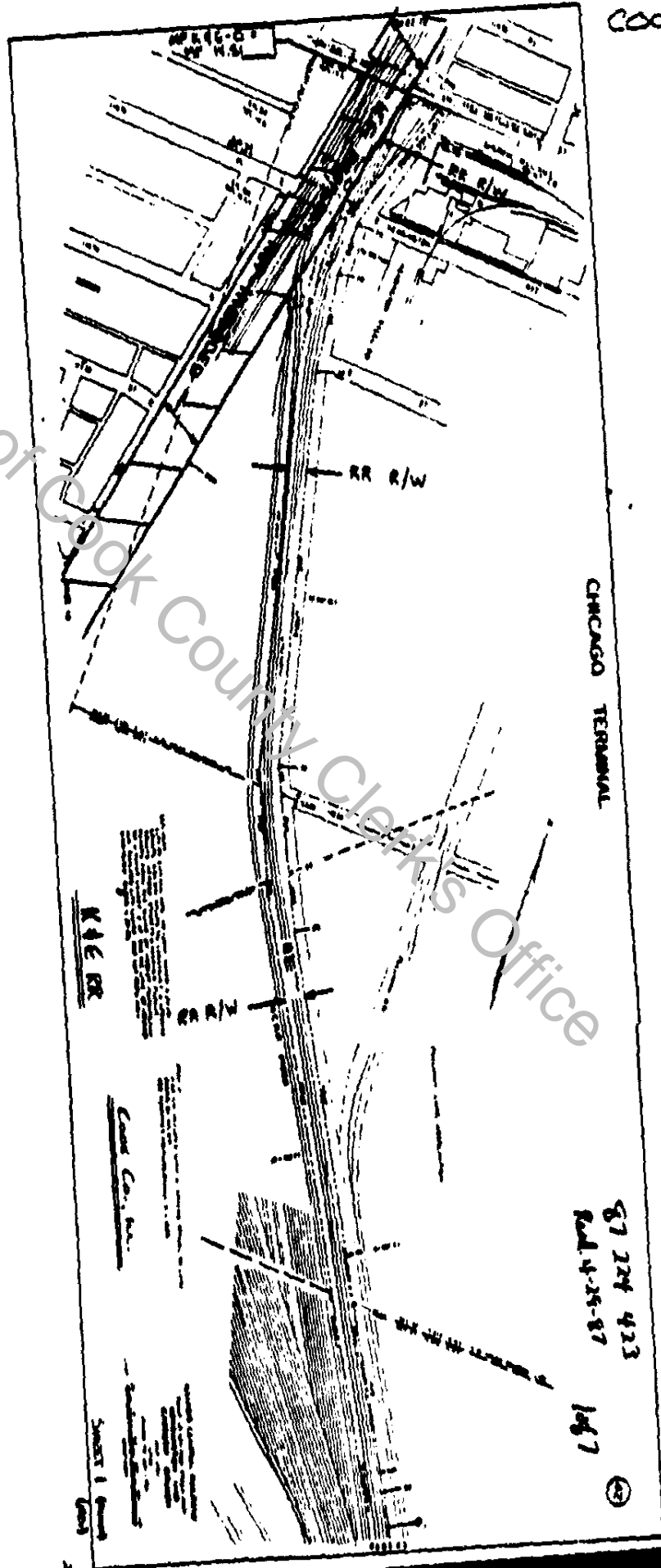
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EXHIBIT A CONTINUED

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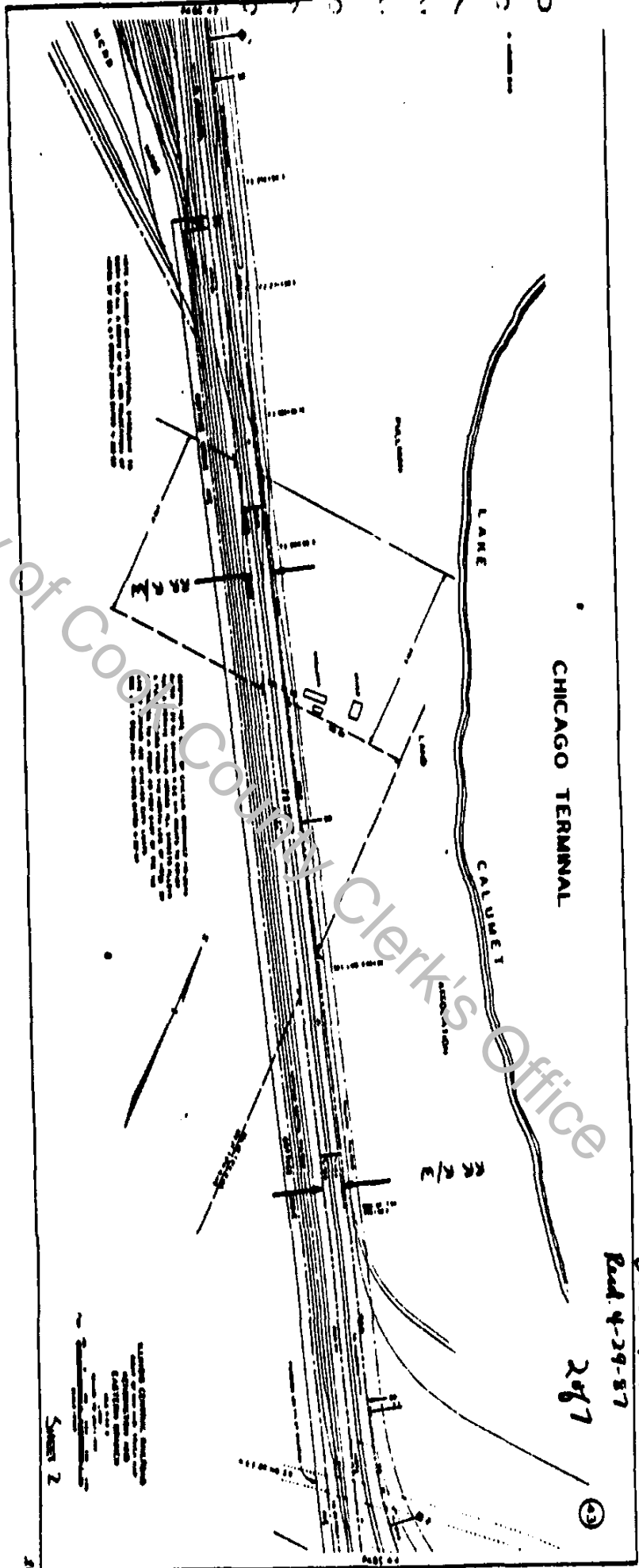
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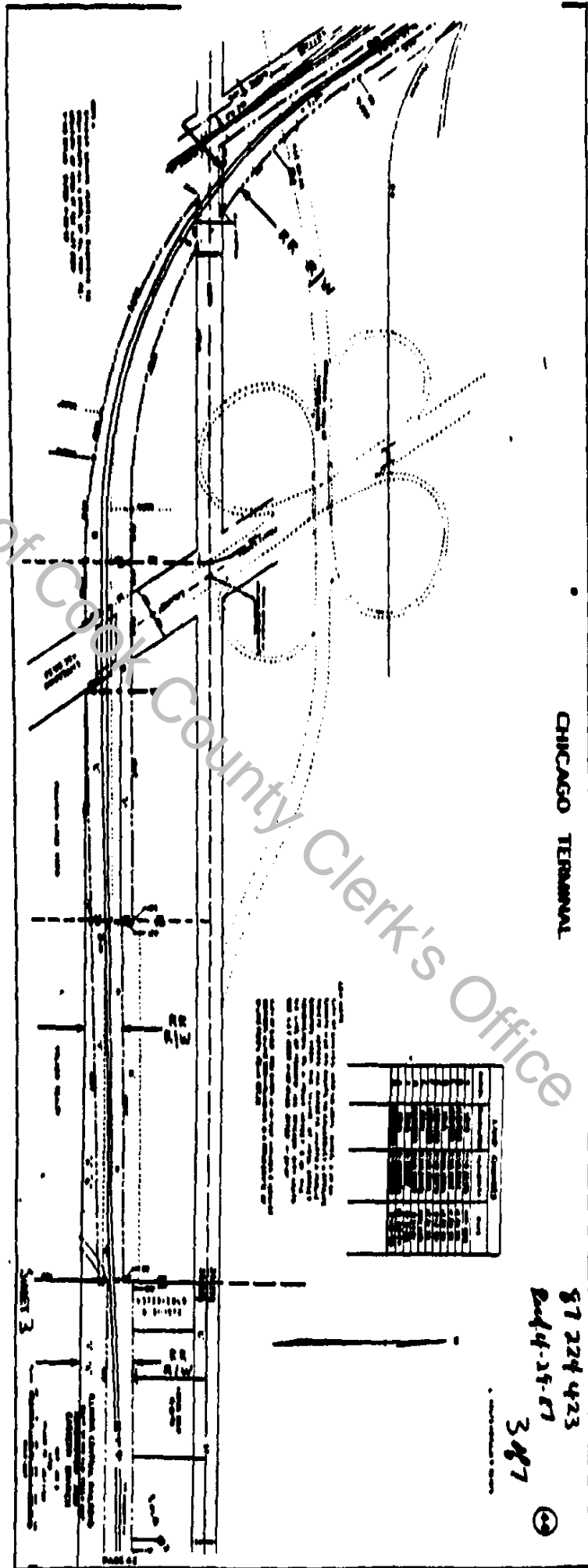
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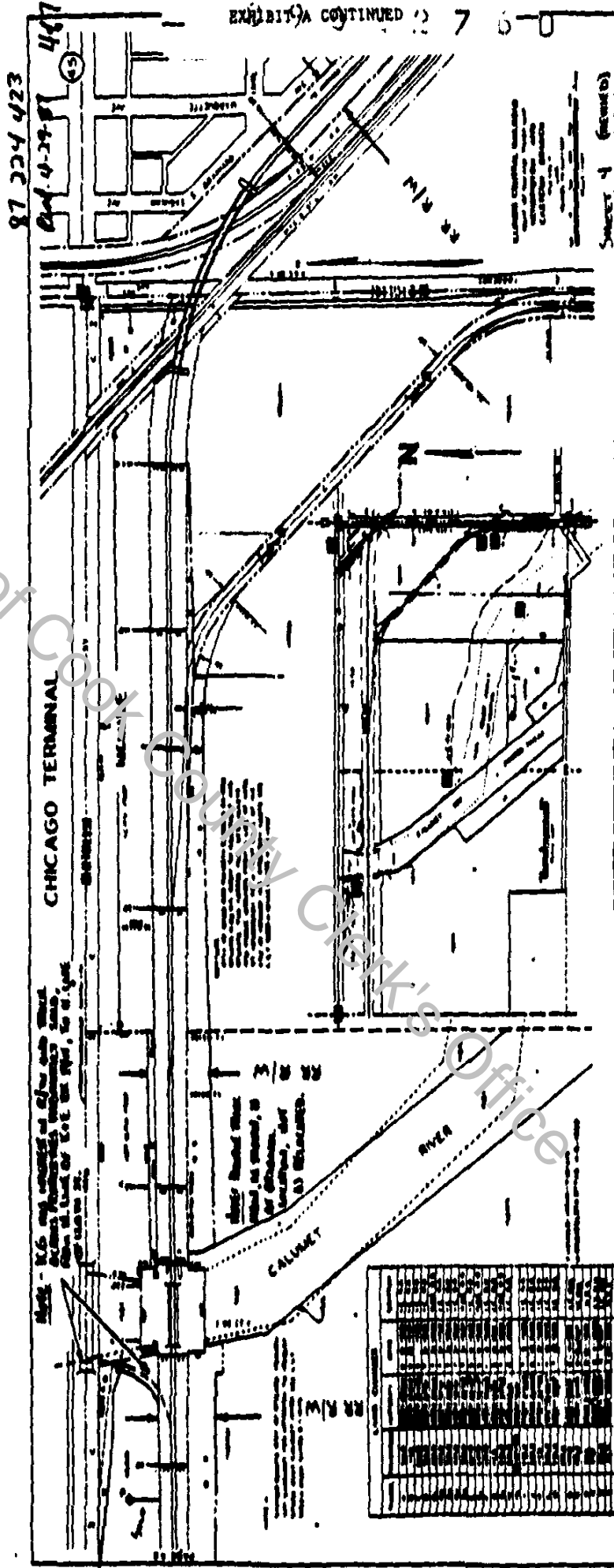
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CHICAGO TERMINAL

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Plan of Terminal of C. & N. W. Ry. Co. of Chicago  
of 1900.

City of Chicago, Ill.  
of 1900.

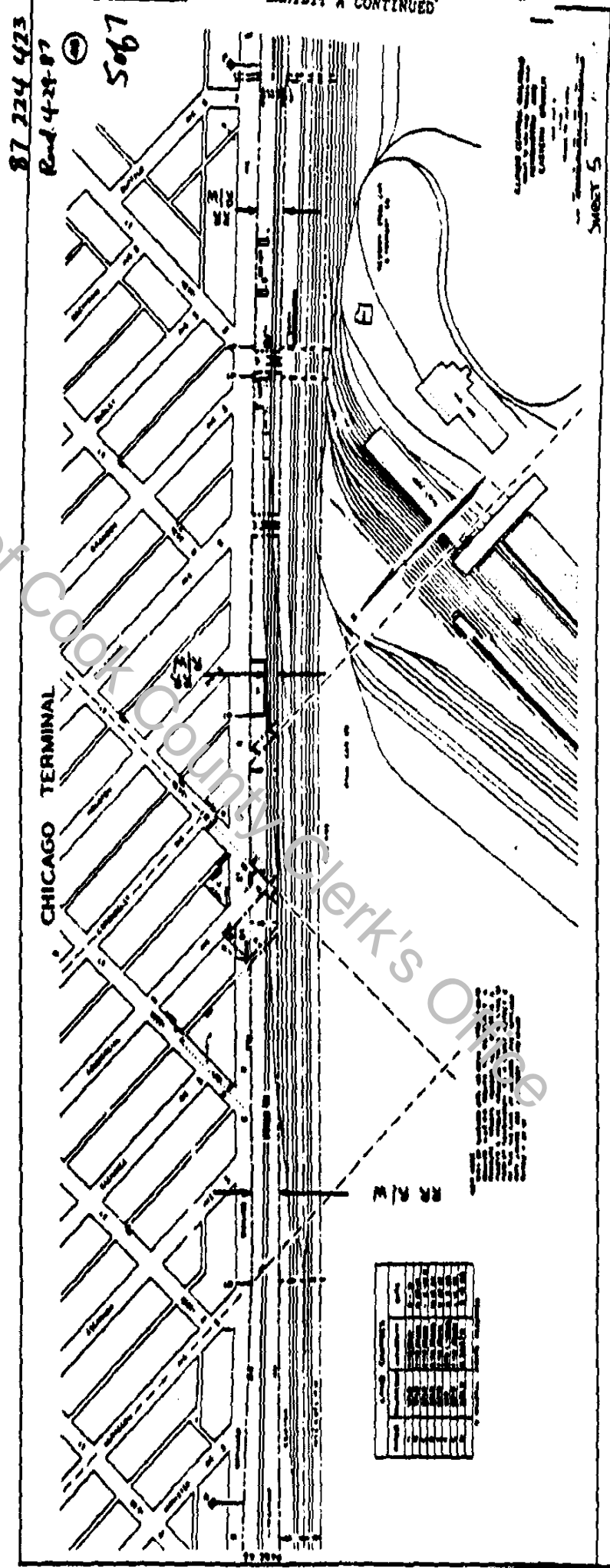
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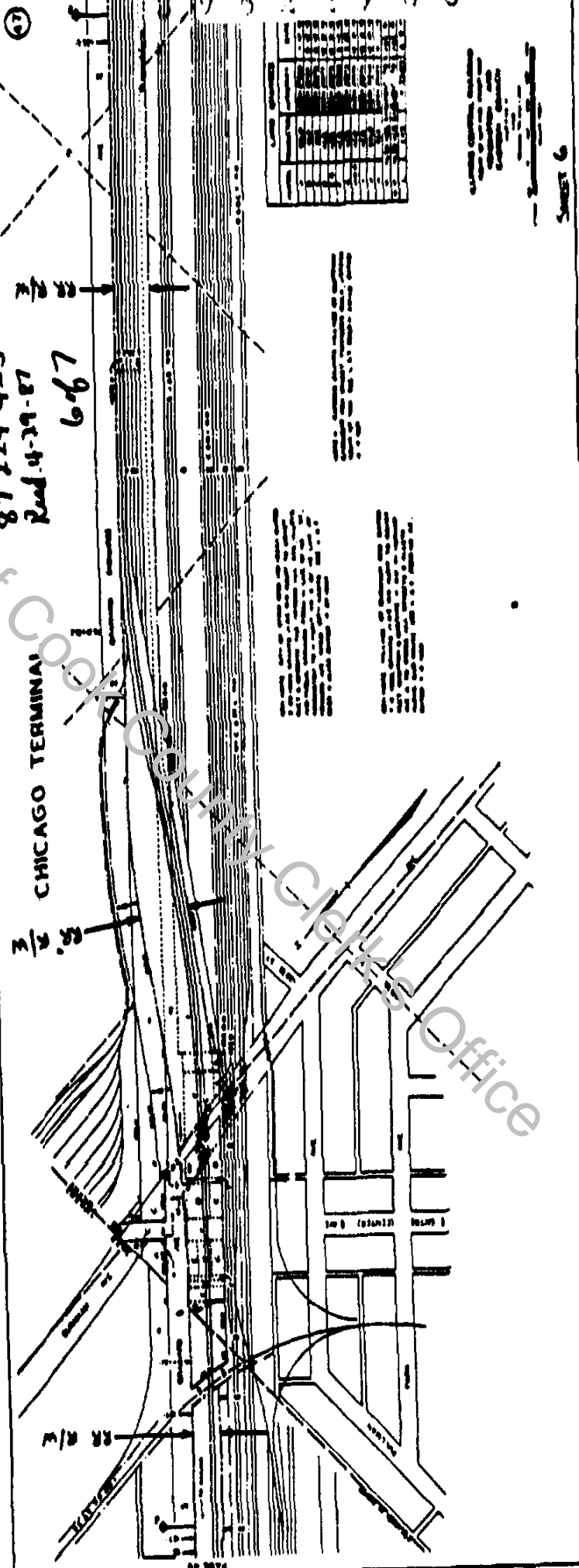
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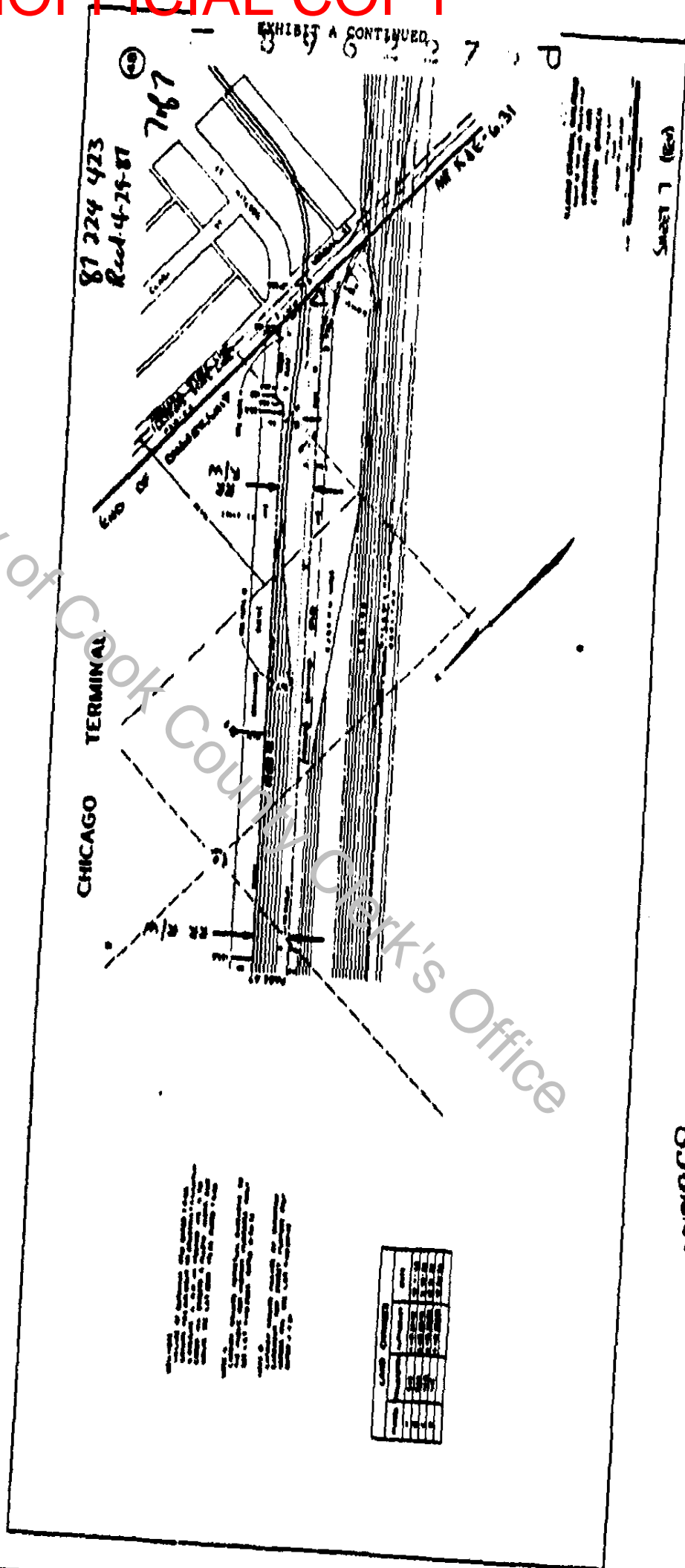
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CHICAGO TERMINAL

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EXHIBIT A CONTINUED



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Sheet 7 (REV)

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