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SERVICE MERCHANDISE COMPANY, INC.

to

SOVRAN BANK/CENTRAL SOUTH

and

P. WILLIAMS

DEPT-01 RECORDING \$238.00
T#4444 TRAN 5437 07/05/90 11:25:00
#5014 # D *-90-320526
COOK COUNTY RECORDER

MORTGAGE AND SECURITY AGREEMENT

Dated: June 28, 1990

Location: 15770 La Grange Road
Orland Park, Illinois

County: Cook
Permanent Tax No.: 27-16-403-005, Vol. 146

THIS INSTRUMENT PREPARED BY AND UPON RECORDATION RETURN TO:

Messrs. Thacher Proffitt & Wood
2 World Trade Center
New York, New York 10048
Attention: Lawrence A. Swenson, Esq.

MAIL TO: ED HEIM
LAWYERS TITLE INSURANCE
CORP.
708 THIRD AVE. AT 44TH ST.
24th Floor
NEW YORK, NEW YORK 10017

File No.: 16018-0281
Title No.: NYC-90-10021 issued by Lawyers Title
Insurance Corporation 90-0014

CASE NO. 90-00014 BE @ #5

BOX 334

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Property of Cook County Clerk's Office

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THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage"), made the 28th day of June, 1990, by SERVICE MERCHANDISE COMPANY, INC., a Tennessee corporation, having its principal place of business at 1600 Vaden Boulevard, Brentwood, Tennessee 37027 ("Mortgagor") to SOVRAN BANK/CENTRAL SOUTH, a Tennessee banking corporation, having an office at One Commerce Place, Nashville, Tennessee 37219, attention: Corporate Trust Department, as trustee and P. Williams, as co-trustee (collectively, the "Mortgagee") for the benefit of the secured noteholders (the "Secured Noteholders") under that certain Trust Indenture dated June 28, 1990 (the "Indenture") among Mortgagor, The Long-Term Credit Bank of Japan, Limited, New York Branch, as administrative agent, H.J. Wilson Co. Inc. (the "Subsidiary Guarantor") and Mortgagee.

W I T N E S S E T H

To secure the payment of an indebtedness in the principal sum of NINETY MILLION AND 00/100 Dollars (\$90,000,000.00), lawful money of the United States of America, to be paid with interest according to those certain notes dated the date hereof made by Mortgagor to the Secured Noteholders pursuant to the terms of the Indenture annexed hereto as Exhibit B (the notes together with all extensions, renewals or modifications thereof being hereinafter collectively called the "Note") (said indebtedness, interest and all other sums due hereunder, under the Indenture, under the Note and under the Other Security Documents, as hereafter defined, being collectively called the "Debt"), Mortgagor has mortgaged, given, granted, bargained, sold, aliened, enfeoffed, conveyed, confirmed, pledged, assigned and hypothecated and by these presents does hereby mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm, pledge, assign and hypothecate unto Mortgagee (i) the real property described in Exhibits A-1 through A-14 attached hereto, (the "Fee Parcels") (ii) the leasehold estate in the premises (the "Leasehold Parcels") described in Exhibits A-15 through A-19 attached hereto (each Fee and Leasehold Parcel individually, a "Parcel", and collectively, the "Premises"), which leasehold estates were created by those certain instruments set forth on Exhibit C attached hereto (individually a "Ground Lease" and collectively, the "Ground Leases") and (iii) the buildings, structures, fixtures (to the extent herein provided), additions, enlargements, extensions, modifications, repairs, replacements and improvements which become fixtures as such term is defined under applicable state law, or are essential to the operation or maintenance of the building as a building, (other than racks, display cases and other movable trade fixtures) (collectively the "Improvements");

TOGETHER WITH: all right, title, interest and estate of Mortgagor now owned, or hereafter acquired, in and to (i) any Substitute Parcels (as defined in the Indenture) and (ii) the

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following property, rights, interests and estates (the Premises, the Improvements, the Substitute Parcels together with the following property, rights, interests and estates being hereinafter collectively referred to as the "Mortgaged Property"):

(a) the Ground Leases and the leasehold estates created thereby;

(b) all modifications, extensions and renewals of the Ground Leases and all credits, deposits, options, privileges and rights of Mortgagor as tenant under the Ground Leases, including, but not limited to, (i) the right, if any, to renew or extend the Ground Leases for a succeeding term or terms, (ii) options to purchase and (iii) other rights and options;

(c) all the estate, right, title, claim or demand whatsoever of Mortgagor either in law or in equity, in possession or expectancy, of, in and to the Mortgaged Property or any part thereof;

(d) all easements, rights-of-way, strips and gores of land, vaults, sidewalks, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Premises and the Improvements, including each of the foregoing under and by virtue of the Ground Leases, and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises, to the center line thereof and all the estates, rights, titles, interests, property, possession, claim and demand whatsoever, both at law and in equity, of Mortgagor of, in and to the Premises and the Improvements, including each of the foregoing under and by virtue of the Ground Leases, and every part and parcel thereof, with the appurtenances thereto;

(e) all fixtures (including but not limited to all heating, air conditioning, plumbing, lighting, communications and elevator fixtures but excluding racks, display cases and other movable trade fixtures) and such other property owned by Mortgagor, or in which Mortgagor has or shall have an interest, now or hereafter located upon the Premises and the Improvements, or appurtenant thereto, which property is defined as a "fixture" under applicable state law, or

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essential to the operation or maintenance of the building as a building;

(f) all awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Mortgaged Property, whether from the exercise of the right of eminent domain (including but not limited to any transfer made in lieu of or in anticipation of the exercise of said right), or for a change of grade, or for any other injury to or decrease in the value of the Mortgaged Property;

(g) all leases, subleases, licenses and other agreements (with respect to interests in real estate) affecting the use, enjoyment or occupancy of the Premises and the Improvements and all extensions, amendments and modifications thereto, heretofore or hereafter entered into and all guarantees of such agreements (the "Leases") and all rents, issues and profits (including all oil and gas or other mineral royalties and bonuses and all security deposits, to the extent assignable) from the Premises and the Improvements (the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt;

(h) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof (subject to the further provisions of this Mortgage), for damage to the Mortgaged Property;

(i) the right, in the name and on behalf of Mortgagor, to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to commence any action or proceeding to protect the interest of Mortgagee in the Mortgaged Property to the extent permitted by applicable law;

TO HAVE AND TO HOLD the above granted and described portion of the Mortgaged Property arising out of the Fee Parcels unto and to the use and benefit of Mortgagee, and the successors and assigns of Mortgagee, forever; and with respect to the portion of the Mortgaged Property arising out of the Leasehold Parcels, TO HAVE AND TO HOLD the Ground Leases and the renewals and other options and rights therein provided for, and the above granted and described Mortgaged Property unto, and for the use and benefit of Mortgagee and the successors and assigns of Mortgagee for and during the rest, residue and remainder of the

term of years yet to come and unexpired in the Ground Leases and the renewals therein provided for; subject nevertheless to the rents, terms, covenants, conditions, reservations and provisions in the Ground Leases;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Mortgagor shall well and truly pay to Mortgagee the Debt at the time and in the manner provided in the Indenture, the Note, the Other Security Documents and this Mortgage and shall well and truly abide by and comply with each and every covenant and condition set forth herein, in the Note, in the Other Security Documents, and in the Indenture, these presents and the estate hereby granted shall cease, terminate and be void.

AND Mortgagor represents and warrants to and covenants and agrees with Mortgagee as follows:

PART I

Provisions of General Application

1. Payment of Debt. Mortgagor will pay the Debt at the time and in the manner provided in the Note, the Indenture, the Other Security Documents and in this Mortgage, and in default thereof, Mortgagee shall have the power to sell any and all of the Mortgaged Property according to law.

2. Warranty of Title. Mortgagor warrants that Mortgagor has good title to the Mortgaged Property and has the full power and authority to mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm, pledge, assign and hypothecate the same as contemplated hereunder, under the Indenture and the Other Security Documents (hereinafter defined). Mortgagor possesses, subject to the Permitted Encumbrances (as defined in the Indenture), (i) an unencumbered fee estate in the Fee Parcels and the Improvements thereon and (ii) an unencumbered leasehold estate in the Leasehold Parcels and the fee and/or leasehold estate in the Improvements thereon created by and pursuant to the provisions of the Ground Leases, and represents that it owns the Mortgaged Property free and clear of all liens, encumbrances and charges whatsoever except for the Permitted Encumbrances. In addition, Mortgagor represents and warrants that subject to the matters set forth in Exhibit D annexed hereto (a) the Ground Leases are in full force and effect and have not been modified or amended in any manner whatsoever, (b) there are no material defaults under any Ground Lease and no event has occurred, which but for the passage of time, or notice, or both, would constitute a material default under any Ground Lease, (c) all rents, additional rents and other sums currently due and payable under the Ground Leases have been paid in full (except for any Taxes [hereinafter defined] which may be due, but are not delinquent), and (d) neither Mortgagor nor the lessors under the Ground Leases

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have commenced any action or given or received any notice for the purpose of terminating any Ground Lease. Mortgagor shall forever warrant, defend and preserve such title and the validity and priority of the lien of this Mortgage and shall forever warrant and defend the same to Mortgagee against the claims of all persons whomsoever, other than those arising from Permitted Encumbrances.

3. Insurance. (a) Mortgagor shall at its own expense at all times maintain or cause to be maintained on each Parcel of the Mortgaged Property: (1) comprehensive general liability insurance, including umbrella liability insurance, covering all claims for bodily injury, including death, and property damage occurring on, in or about each Parcel in an amount not less than \$5,000,000.00 combined single limit per person and \$5,000,000.00 per occurrence for personal injury, bodily injury and property damage. The policy limits of such insurance shall be increased, if necessary, from time to time to reflect what a reasonably prudent owner of buildings or improvements similar in type and locality to such Parcel would carry. During any period of substantial alterations or improvements in, on or to each Parcel, the Mortgagor will cause the comprehensive general liability insurance, including umbrella liability insurance, to be endorsed to provide owners' and contractors' protective liability coverage, including completed operations liability coverage; (2) physical damage insurance covering the Improvements and Equipment for loss or damages resulting from the perils of fire, lightning and such other risks and hazards as are provided under the current standard "Extended Coverage Endorsement" and vandalism and malicious mischief coverage for 100% of the replacement value of the Improvements and Equipment on a stipulated and agreed-amount basis with the insurer; (3) if any Parcel is in an area identified as a flood hazard area by the Secretary of Housing and Urban Development, flood insurance in an amount equal to the lesser of the full replacement value of the Improvements and Equipment or the maximum amount available at subsidized rates under the federal flood insurance program; and (4) insurance against business interruption and rental loss together with insurance against such other risks, hazards, casualties or contingencies as shall then be commonly carried by prudent owners of buildings or improvements in the locality of such Parcel similar in character, construction, use and occupancy to the Improvements and Equipment constituting a part of such Parcel. Mortgagor shall pay the premiums for such insurance (the "Insurance Premiums") as the same shall become due and payable. The policies of insurance (each, a "Policy" and collectively, the "Policies") shall be issued by insurers of recognized responsibility, having a Best's rating of "B+" or better. Each Policy (other than liability Policies) shall contain the standard New York mortgagee non-contribution clause naming Mortgagee as the person to which all payments made by such insurance company shall be paid, provided however, in the event payments under any

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Policy are to be paid to a lessor under a Ground Lease, such a provision shall not constitute a default hereunder. Each liability Policy shall name Mortgagee as an additional insured thereunder. No Policy shall be subject to a deductible in excess of \$250,000.00. Mortgagor shall deliver the Policies or certified copies thereof to Mortgagee. Not later than forty five (45) days prior to the expiration date of each of the Policies, Mortgagor will deliver to Mortgagee satisfactory evidence of the renewal of each of the Policies together with any replacement Policies, or certified copies thereof. If the Mortgagee shall by any manner acquire the title or estate of the Mortgagor in or to any portion of the Mortgaged Property, it shall thereupon become the sole and absolute owner of all Policies affecting and to the extent applicable to such portion of the Mortgaged Property held by or required hereunder to be delivered to the Mortgagee, with the sole right to collect and retain all unearned premiums thereon subject to such right reserved by the lessor under any Ground Lease in such Ground Lease; and the Mortgagor shall be entitled only to a credit in reduction of the then outstanding indebtedness secured hereby in the amount of the short rate cancellation refund. The Mortgagor agrees, immediately upon demand, to execute and deliver such assignments or other authorizations or instruments as may be necessary or desirable to effectuate the foregoing. Each Policy of property insurance shall provide that the insurer thereunder agrees to waive any and all subrogation rights against Mortgagee. Each Policy shall provide that no cancellation, expiration, material change or reduction thereof shall be effective until at least thirty (30) days after receipt by Mortgagee of written notice thereof. No Policy shall be invalidated by any act of Mortgagor or Mortgagee, nor by foreclosure or other proceedings relating to the Parcel nor by a change in title or ownership of the Parcel or any portion thereof or interest therein. The requirements set forth in this subparagraph 3(a) shall be hereinafter referred to as the "Insurance Requirements".

(b) If any Parcel shall be damaged or destroyed, in whole or in part, by fire or other casualty, and the reasonable cost to repair such damaged Parcel (a "Damaged Parcel") shall exceed the lesser of (i) \$200,000.00 and (ii) ten percent (10%) of the Release Price (as defined in the Indenture) for such Damaged Parcel (the "Insurance Threshold") Mortgagor shall give prompt notice thereof to Mortgagee. Mortgagor shall have the option to (1) release such Damaged Parcel from the lien of this Mortgage upon payment by Mortgagor of a sum equal to the Property Default Cure Price (hereinafter defined) applicable for such Damaged Parcel to be calculated immediately prior to such casualty together with all Release Expenses (hereinafter defined), (2) within thirty (30) days of the date of such casualty, substitute additional property having a then fair market value equal to or greater than the fair market value of the Damaged Parcel immediately prior to such damage as a

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Substitute Parcel (as defined in the Indenture) pursuant to Section 3.03 of the Indenture, provided Mortgagor complies with all of the terms and conditions of the Indenture; and upon the completion of all such actions required by the Indenture regarding such substitution and payment of all Release Expenses by Mortgagor, Mortgagee shall release such Damaged Parcel from the lien of this Mortgage, (3) within thirty (30) days of the date of such casualty, substitute a Letter of Credit (as defined in the Indenture) in an amount equal to the greater of (i) the appraised value of such Damaged Parcel at the time of its inclusion as a portion of the Mortgaged Property and (ii) the fair market value of the Damaged Parcel immediately prior to such damage, and upon such substitution and payment of all Release Expenses by Mortgagor the Damaged Parcel shall be released from the lien of the Mortgage, or (4) commence Restoration (hereinafter defined). In the event the reasonable cost to repair a Damaged Parcel shall be less than the Insurance Threshold, the proceeds from any Policy may be payable directly to Mortgagor in trust who shall apply such funds to Restoration, and who may, following the completion of such Restoration, retain any excess proceeds.

(c) Subject to the provisions of any applicable Ground Lease, in the event Mortgagor elects, or is required to commence Restoration, the net amount of all insurance proceeds received by Mortgagee with respect to such damage or destruction, after deduction of the reasonable costs and expenses incurred by Mortgagee in collecting the same (the "Net Proceeds") shall be disbursed by Mortgagee in accordance with the terms and conditions set forth herein to pay for the costs and expenses of the Restoration (hereinafter defined) provided (i) no Event of Default (hereinafter defined) has occurred and remains uncured under this Mortgage, the Note, the Indenture or any of the Other Security Documents, (ii) Mortgagor proceeds promptly after the insurance claims are settled with the restoration, replacement, rebuilding or repair of the Damaged Parcel as nearly as possible to the condition the Damaged Parcel was in immediately prior to such fire or other casualty (the "Restoration"), (iii) the plans and specifications (the "Plans") for the Restoration have been delivered to the Mortgagee, (iv) the Restoration shall be done in compliance with all applicable laws, rules and regulations, (v) all reasonable costs and expenses incurred by Mortgagee in connection with making the Net Proceeds available for the Restoration of the Damaged Parcel including, without limitation, counsel fees and inspecting engineer fees incurred by Mortgagee, shall be paid by Mortgagor and (vi) the Restoration shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Mortgagor is subject, including without limitation, the Ground Leases and REAs (as hereinafter defined), and shall not constitute a default thereunder.

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(d) The Net Proceeds shall be held by Mortgagee in an interest bearing account and shall be paid by Mortgagee to, or as directed by, Mortgagor from time to time during the course of the Restoration, upon receipt by Mortgagee of the following:

1. An Officer's Certificate (as defined in the Indenture), dated not more than 30 days prior to the date of the application for the withdrawal and payment of such Net Proceeds setting forth:

(A) that expenditures have been made, or costs incurred, by the Mortgagor in a specified amount for the purpose of making certain repairs, rebuildings and replacements, which shall be briefly described, and setting forth the amount of any such expenditures or costs for the acquisition of a major item of property, which shall be separately specified, in replacement of any destroyed or damaged property;

(B) that no part of such expenditures or costs has been or is being made the basis for any previous application;

(C) that there is no outstanding indebtedness, other than costs for which payment is being requested, known to Mortgagor, after due inquiry, for the purchase price or construction of such repairs, rebuildings or replacements, or for labor, wages, materials or supplies in connection with the making thereof, which, if unpaid, might become the basis of a vendor's, mechanics', laborers', materialmen's, statutory or other similar lien upon any of such repairs, rebuildings or replacements, which lien might, in the opinion of the signers of such certificate, materially impair the security afforded by such repairs, rebuildings or replacements;

(D) that no Event of Default exists under this Mortgage, the Note, the Indenture or the Other Security Documents;

(E) that no part of such Net Proceeds has been, or is required to be, set aside pursuant to the terms of the Indenture; and

(F) that all conditions precedent herein and in the Indenture relating to such withdrawal and payment have been complied with; and

2. An Engineer's Certificate, (as such term is defined in the Indenture) dated not more than 30 days prior to the date of the related application, stating, in the opinion of the signer, (a) that the Restoration has been performed to date substantially

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in accordance with the Plans, (b) that the balance of the proceeds held by Mortgagee are sufficient to complete the Restoration, and (c) an estimate as to the cost of such completion; and

3. An endorsement to the title policy for the Damaged Parcel insuring the first lien of this Mortgage stating:

(A) that the Mortgagor has acquired, or upon payment of the costs to be paid as requested will acquire, title to such repairs, rebuildings and replacements at least equivalent to its title to the property destroyed or damaged;

(B) that the Mortgagor's right, title and interest in and to such repairs, rebuildings and replacements are subject to the lien of this Mortgage; and

(C) that neither the Damaged Parcel nor any part thereof is subject to any recorded vendor's, mechanics', laborers', materialmen's, statutory or other similar lien upon any such repairs, rebuildings or replacements.

Upon compliance with the foregoing provisions of this paragraph 3, Mortgagee shall pay on Company Request (as defined in the Indenture) an amount of Net Proceeds of the character aforesaid equal to the amount of the expenditures or costs stated in such Officers' Certificate; PROVIDED, HOWEVER, that, in the event the Engineer's estimate of the cost to complete the Restoration exceeds the Net Proceeds available for such Restoration, prior to any disbursement of funds hereunder, Mortgagor shall deposit such deficiency with Mortgagee.

(e) The excess, if any, of the Net Proceeds after payment to Mortgagor as provided herein shall be applied by Mortgagee in accordance with the Indenture.

(f) In the event Mortgagor elects to release a Damaged Parcel pursuant to subparagraphs 3(b)(1), 3(b)(2) or 3(b)(3) above, upon such release, and upon the payment of all costs and expenses in respect of each release, including but not limited to Mortgagee's reasonable attorney's fees and disbursements, appraisal fees and title charges (collectively, the "Release Expenses"), Mortgagee shall deliver to Mortgagor any Net Proceeds held by Mortgagee with respect to such Damaged Parcel, together with any interest earned thereon.

(g) Subject to the provisions of any applicable Ground Lease, if, while any insurance proceeds are being held by the Mortgagee, the Mortgagee shall be or become entitled to accelerate the Debt, then and in such event the Mortgagee shall

be entitled to apply all such insurance proceeds in reduction of the Debt.

4. Payment of Taxes, etc. (a) Mortgagor shall pay all taxes, assessments, water rates and sewer rents, now or hereafter levied or assessed or imposed against the Mortgaged Property or any part thereof or any taxes in the nature of real estate taxes or assessments, water rates and sewer rents now or hereafter levied or assessed or imposed against Mortgagor (the "Taxes") and all ground rents, maintenance charges, permit, inspection and license fees, other governmental impositions, and other charges, including without limitation vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Premises, now or hereafter levied or assessed or imposed against the Mortgaged Property or any part thereof (the "Other Charges") prior to the imposition of any fine, penalty, further interest or cost. Mortgagor will deliver to Mortgagee, promptly upon Mortgagee's request, evidence satisfactory to Mortgagee that the Taxes and Other Charges have been so paid or are not then delinquent. Mortgagor shall not suffer and shall promptly cause to be paid and discharged any lien or charge whatsoever which may be or become a lien or charge against the Mortgaged Property, and shall promptly pay for all utility services provided to the Mortgaged Property.

(b) Notwithstanding anything to the contrary contained in (a) above, after prior written notice to Mortgagee, Mortgagor, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Taxes and/or Other Charges, (provided however no notice shall have been necessary if Mortgagor pays such Taxes and/or Other Charges prior to the attachment of any interest or penalties thereon) provided that (i) no Event of Default exists under the Note, this Mortgage, the Indenture or the Other Security Documents, (ii) in the event Mortgagor has not previously paid such Taxes and/or Other Charges prior to the attachment of any interest or penalties thereon, such proceeding shall suspend the collection of the Taxes and/or Other Charges from Mortgagor and from the Mortgaged Property, (iii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Mortgagor is subject including, without limitation, the Ground Leases and the REAs, and shall not constitute a default thereunder, (iv) neither the Mortgaged Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost, and (v) in the event Mortgagor has not previously paid such Taxes and/or Other Charges prior to the attachment of any interest or penalties thereon, Mortgagor shall have deposited with Mortgagee an amount equal to 115% of the amount of the Taxes and/or Other Charges together

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with all interest and penalties thereon to insure the payment of any such Taxes and/or Other Charges.

5. Escrow Fund. (a) Mortgagor shall, following (i) any Event of Default arising out of Mortgagor's failure to timely pay Taxes or Insurance Premiums or (ii) following any other Event of Default which is continuing, upon the request of Mortgagee, subject to Mortgagor's obligation to pay the same to a lessor under a Ground Lease, pay to Mortgagee on the first day of each calendar month, commencing on the first day of the first calendar month following such request (1) one-twelfth of an amount which would be sufficient to pay the Taxes payable, or estimated by Mortgagee to be payable, during the next ensuing twelve (12) months and (2) one-twelfth of an amount which would be sufficient to pay the Insurance Premiums due for the renewal of the coverage afforded by the Policies upon the expiration thereof (said amounts in (1) and (2) above hereinafter called the "Escrow Fund"). Provided however, in the event Mortgagor has not failed to pay Taxes or Insurance Premiums for more than five (5) Parcels, and no Event of Default exists, Mortgagee shall only escrow for Taxes or Insurance for the Parcels affected by Mortgagor's failure to timely pay such Taxes or Insurance Premiums. The Escrow Fund and the payments of interest or principal or both, payable pursuant to the Note shall be added together and shall be paid as an aggregate sum by Mortgagor to Mortgagee. Mortgagor hereby pledges to Mortgagee any and all monies now or hereafter deposited in the Escrow Fund as additional security for the payment of the Debt. Mortgagee will apply the Escrow Fund to payments of Taxes and Insurance Premiums required to be made by Mortgagor pursuant to paragraphs 3 and 4 hereof. If the amount of the Escrow Fund shall exceed the amounts due for Taxes and Insurance Premiums pursuant to paragraphs 3 and 4 hereof, Mortgagee shall credit such excess against future payments to be made to the Escrow Fund. In allocating such excess, Mortgagee may deal with the person shown on the records of Mortgagee to be the owner of the Mortgaged Property. If the Escrow Fund is not sufficient to pay the items set forth in (1) and (2) above, Mortgagor shall promptly pay to Mortgagee, upon demand, an amount which Mortgagee shall estimate as sufficient to make up the deficiency. Upon the occurrence of an Event of Default, Mortgagee may apply any sums then present in the Escrow Fund to the payment of the following items in any order in its uncontrolled discretion:

- (i) Taxes and Other Charges;
- (ii) Insurance Premiums;
- (iii) Advances made by Mortgagee pursuant to the terms of this Mortgage;

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- (iv) Interest on the unpaid principal balance of the Note;
- (v) Amortization of the unpaid principal balance of the Note; and
- (vi) All other sums payable pursuant to the Note, this Mortgage, the Indenture and the Other Security Documents, including without limitation advances made by Mortgagee pursuant to the terms of this Mortgage.

Provided however, Mortgagee may not apply the Escrow Fund to items (iv), (v) and (vi) prior to the acceleration of the indebtedness secured hereunder. Until expended or applied as above provided, any amounts in the Escrow Fund shall constitute additional security for the Debt. The Escrow Fund shall be held by Mortgagee in an interest bearing account and shall not be commingled with other monies held by Mortgagee.

(b) Compliance by Mortgagor with any provisions of the Ground Leases relating to the deposit of funds by Mortgagor for the payment of all taxes, assessments, water and sewer rents and/or insurance premiums shall constitute compliance with paragraph 5(a) to the extent such Ground Lease provisions cover each of said items; provided that Mortgagor shall in any event be required to deliver to Mortgagee evidence of such payments and receipted bills for all such items.

6. Condemnation. (a) Mortgagor shall (i) give Mortgagee immediate notice of commencement or following the receipt of notice by the appropriate public or quasi-public authority, the pending commencement, of any condemnation or eminent domain proceeding and (ii) deliver to Mortgagee copies of any and all papers served in connection with such proceedings. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise, Mortgagor shall continue to pay the Debt at the time and in the manner provided in the Note, this Mortgage and the Indenture and the Debt shall not be reduced until any award or payment therefor shall have been actually received and applied by Mortgagee to the discharge of the Debt. Mortgagee shall not be limited to receiving the interest paid on the award by the condemning authority but shall be entitled to receive out of the award interest at the rate or rates provided herein and in the Note. Any award or payment by the condemning authority exceeding the Condemnation Threshold (hereinafter defined) shall be made to Mortgagee, who shall have the right to participate in any condemnation proceedings, by the counsel of its choice.

(b) Subject to the provisions of any applicable Ground Lease, if any portion of a Parcel is condemned or

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otherwise the subject of an eminent domain proceeding (a "Taken Parcel") and the reasonable cost to repair such Taken Parcel shall exceed the lesser of (i) \$200,000.00 and (ii) ten percent (10%) of the Release Price for such Parcel (the "Condemnation Threshold"), Mortgagor shall have the option to (1) release such Taken Parcel from the lien of this Mortgage upon payment by Mortgagor of an amount equal to the Property Default Cure Price applicable for such Taken Parcel to be calculated immediately prior to such taking, together with all Release Expenses, (2) within thirty (30) days of the date of such taking, substitute additional property having a then fair market value equal to or greater than the fair market value of the Taken Parcel immediately prior to such taking as a Substitute Parcel pursuant to Section 3.03 of the Indenture, provided Mortgagor complies with all of the terms and conditions of the Indenture; and upon the completion of all such actions required by the Indenture regarding such substitution and payment of all Release Expenses by Mortgagor, Mortgagee shall release such Taken Parcel from the lien of this Mortgage, (3) within thirty (30) days of the date of such taking substitute a Letter of Credit in an amount equal to the greater of (i) the appraised value of such Taken Parcel at the time of its inclusion as a portion of the Mortgaged Property, and (ii) the fair market value of the Taken Parcel immediately prior to such taking; and upon such substitution and payment of all Release Expenses by Mortgagor, the Taken Parcel shall be released from the lien of this Mortgage, or (4) commence Condemnation Restoration (hereinafter defined). In the event the reasonable cost to restore a Taken Parcel shall be less than the Condemnation Threshold, any condemnation award may be payable directly to Mortgagor in trust, who shall apply such funds to Condemnation Restoration, and who may, following the completion of such Condemnation Restoration retain any excess proceeds.

(c) Subject to the provisions of any applicable Ground Lease, in the event Mortgagor elects, or is required to commence Condemnation Restoration, then the net amount of all awards and payments received by Mortgagee with respect to such taking, after deduction of Mortgagee's reasonable costs and expenses in collecting the same (hereinafter referred to as the "Net Award"), shall be disbursed by Mortgagee to pay for the costs and expenses of the Condemnation Restoration, provided (i) an Event of Default is not continuing under this Mortgage, the Note, the Indenture or any of the Other Security Documents, (ii) Mortgagor proceeds promptly after the making of any award or payment for such taking with the restoration, replacement, rebuilding or repair of the Taken Parcel as nearly as possible to the condition the Taken Parcel was in immediately prior to such taking (the "Condemnation Restoration"), (iii) no Leases (including the Ground Leases) or REAs are terminated as a result of such taking, (iv) the Condemnation Restoration shall be done in compliance with all applicable laws, rules and regulations, and in accordance with the provisions of any other instrument to which Mortgagor is

subject, including without limitations, the Ground Leases and the REAs and shall not constitute a default thereunder, (v) a set of plans and specifications in connection with the Condemnation Restoration shall be submitted to Mortgagee, (vi) Mortgagor shall have reimbursed Mortgagee for all costs and expenses incurred by Mortgagee in connection with making the Net Award available for the Condemnation Restoration of the Taken Parcel, including, without limitation, counsel fees, inspecting engineer fees and appraisal fees incurred by Mortgagee, and (vii) in the reasonable opinion of Mortgagee the Condemnation Restoration of the Taken Parcel is economically feasible.

(d) The Net Award shall be held by Mortgagee in an interest bearing account and shall be paid by Mortgagee to, or as directed by, Mortgagor from time to time during the course of the Condemnation Restoration, upon receipt of:

1. An Officer's Certificate dated not more than 30 days prior to the date of the application for the withdrawal and payment of such Net Award setting forth:

(A) that expenditures have been made, or costs incurred, by the Mortgagor in a specified amount for the purpose of making certain repairs, rebuildings and replacements, which shall be briefly described, and setting forth the amount of any such expenditures or costs for the acquisition of a major item of property, which shall be separately specified, in replacement of any taken or damaged property;

(B) that there is no outstanding indebtedness, other than costs for which payment is being requested, known to Mortgagor, after due inquiry, for the purchase price or construction of such repairs, rebuildings or replacements, or for labor, wages, materials or supplies in connection with the making thereof, which, if unpaid, might become the basis of a vendor's, mechanics', laborers', materialmen's, statutory or other similar lien upon any of such repairs, rebuildings or replacements, which lien might, in the opinion of the signers of such certificate, materially impair the security afforded by such repairs, rebuildings or replacements;

(C) that no Event of Default exists under this Mortgage, the Note, the Indenture, or the Other Security Documents;

(D) that no part of such Net Award has been, or is required to be, set aside pursuant to the terms of the Indenture;

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(E) that the appraised value of the Taken Parcel on the date this Mortgage was granted was less than or equal to the sum of (i) the appraised value of the Taken Parcel pursuant to the appraisal referred to in subsection 2 below and (ii) the amount of the Net Award remaining (after the deduction of the estimated cost to complete the Condemnation Restoration, as set forth in the Engineer's Certificate referred to in subparagraph 3 below) to be applied by the Mortgagee for the partial redemption of the Note pursuant to Section 4.04B of the Indenture; and

(F) that all conditions precedent herein and in the Indenture relating to such withdrawal and payment have been complied with; and

2. An appraisal of the Taken Parcel after the Condemnation Restoration is complete, prepared by an Appraiser (as defined in the Indenture), and

3. An Engineer's Certificate, dated not more than 30 days prior to the date of the related application, stating, in the opinion of the signer: (a) that the Condemnation Restoration has been performed to date substantially in accordance with the plans and specifications delivered in connection therewith (b) that the balance of the Net Award held by the Mortgagee is sufficient to complete the Condemnation Restoration and (c) an estimate of such cost of the completion; and

4. An endorsement to the title policy for the Taken Parcel insuring the first lien of this Mortgage stating:

(A) that the Mortgagor has acquired, or upon payment of the costs to be paid as requested will acquire, title to such repairs, rebuildings and replacements at least equivalent to its title to the property taken or damaged;

(B) that the Mortgagor's right, title and interest in and to such repairs, rebuildings and replacements are subject to the lien of this Mortgage; and

(C) that neither the Taken Parcel, nor any part thereof is subject to any recorded vendor's, mechanics, laborers', materialmen's, statutory or other similar lien upon any such repairs rebuildings or replacements.

Upon compliance with the foregoing provisions of this Paragraph 6, Mortgagee shall pay on Company Request an amount of Net Award of the character aforesaid equal to the amount of the expenditures or costs stated in such Officer's Certificate; PROVIDED, HOWEVER, that, in the event the Engineer's estimate of the cost to complete the Condemnation Restoration exceeds the Net Award available for such Condemnation Restoration, prior to any

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disbursement of funds hereunder, Mortgagor shall deposit such deficiency with Mortgagee.

(e) If any Taken Parcel is sold through foreclosure, a deed in lieu of foreclosure or otherwise in connection with the exercise of a remedy available to Mortgagee hereunder, prior to the receipt by Mortgagee of such award or payment, Mortgagee shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive such award or payment or a portion thereof sufficient to pay the Debt, whichever is less. Mortgagor shall file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to Mortgagee, and Mortgagor hereby irrevocably authorizes and empowers Mortgagee, in the name of Mortgagor or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claim or claims, and although it is hereby expressly agreed that the same shall not be necessary in any event, Mortgagor shall upon demand of Mortgagee make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to Mortgagee, free and clear of any encumbrances of any kind or nature whatsoever.

(f) The excess, if any, of the Net Award after payment to Mortgagor as provided herein shall be applied by Mortgagee in accordance with the Indenture.

(g) In the event Mortgagor elects to release a Taken Parcel pursuant to subparagraphs 6(b)(1), 6(b)(2) or 6(b)(3) above, upon such release, and upon the payment of the Release Expenses, Mortgagee shall deliver to Mortgagor any portion of the Net Award held by Mortgagee with respect to such Taken Parcel, together with any interest earned thereon.

(h) Subject to the provisions of any applicable Ground Lease, if, while any portion of the Net Award is being held by the Mortgagee, the Mortgagee shall be or become entitled to accelerate the Debt, then and in such event the Mortgagee shall be entitled to apply such Net Award in reduction of the Debt.

7. Leases and Rents. (a) Mortgagee is hereby granted and assigned by Mortgagor the right to enter any Parcel for the purpose of enforcing its interest in the Leases and the Rents, this Mortgage constituting a present, absolute assignment of the Leases and the Rents. Nevertheless, subject to the terms of this paragraph 7, Mortgagee grants to Mortgagor a revocable license to operate and manage each Parcel and to collect the Rents. Upon or at any time after the occurrence of an Event of Default which is continuing, the license granted to Mortgagor herein may be revoked by Mortgagee, and Mortgagee may enter upon any Parcel,

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and collect, retain and apply the Rents toward payment of the Debt in accordance with the terms of the Note and the Indenture.

(b) Upon request, Mortgagor shall furnish Mortgagee with executed copies of all Leases. In addition, all renewals of Leases and all Leases entered into after the date hereof shall provide for rental rates comparable to existing local market rates and shall be arms-length transactions, provided however with regard to existing leases which currently provide for renewal rights, the rental rates for the Leases as renewed shall constitute existing local market rates for the purposes of this paragraph 7. Mortgagor shall not enter into any Lease which would cause Mortgagor to operate a) a retail facility containing less than 44,000 square feet on a Parcel, or b) Parcels, which in the aggregate do not contain retail facilities averaging at least 47,000 square feet (a retail facility containing 44,000 square feet or more is hereinafter referred to as a "Facility") on any Parcel without the prior written approval of Mortgagee; provided however, in the case of a Parcel where Mortgagor has ceased operating a Facility, but Mortgagor has not defaulted in the performance of its obligations under this paragraph 7, Mortgagor may enter into any Leases of less than 20,000 square feet each without the prior written approval of Mortgagee. All Leases entered into after the date hereof shall provide that they are subordinate to this Mortgage and that the lessee agrees to attorn to Mortgagee. Mortgagor (i) shall observe and perform all the obligations imposed upon the lessor under the Leases and shall not do or permit to be done anything to impair the value of the Leases as security for the Debt; (ii) shall promptly send copies to Mortgagee of all notices of default which Mortgagor shall send or receive thereunder; (iii) shall use its best efforts to enforce all of the material terms, covenants and conditions contained in the Leases upon the part of the lessee thereunder to be observed or performed, short of termination thereof; (iv) shall not collect any of the Rents more than one (1) month in advance (provided however, this clause shall not prohibit Mortgagor from collecting rent from Leases which Mortgagor, in the ordinary course of business, consistent with past practices, collects, quarterly, semi-annually or annually); (v) shall not execute any other assignment of lessor's interest in any of the Leases or the Rents; (vi) shall not alter, amend, supplement, modify or change the terms of any Leases in any material respect (it being agreed that a modification of a lease which provided for the payment of rent in monthly installments, to any installment interval longer than one month shall constitute a material modification) without the prior written consent of Mortgagee, or cancel or terminate any of the Leases or accept a surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of any Parcel or of any portion thereof or interest therein so as to effect a merger of the estates and rights of, or a termination or diminution of the obligations of, any lessees thereunder; (vii) shall not alter, modify or change

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the terms of any guaranty of any Lease in any material respect or cancel or terminate such guaranty without the prior written consent of Mortgagee; (viii) shall not consent to any assignment of or subletting under the Leases not in accordance with their terms, without the prior written consent of Mortgagee; and (ix) shall execute and deliver at the request of Mortgagee all such further assurances, confirmations and assignments in connection with the Mortgaged Property as Mortgagee shall from time to time require. Notwithstanding the foregoing provisions, with respect to Parcels where Mortgagor is operating a Facility, Mortgagor may modify, amend, supplement, cancel or accept the termination of any Lease, or modify, amend, supplement, cancel or terminate any guaranty of any Lease in the ordinary course of business in a manner consistent with past practices. In addition, with respect to Parcels where Mortgagor is operating a Facility, Mortgagor may enter into Leases of less than 20,000 square feet each without the prior written approval of Mortgagee, provided such Leases conform to the requirements set forth in this paragraph 7.

(c) Mortgagee shall grant non-disturbance to any tenant, provided the proposed Lease is otherwise in compliance with the requirements of this paragraph 7 and the proposed Lease provides:

- 1) there shall be no offsets binding on the Mortgagee against the payment of rent;
- 2) there shall be no provisions for "stepdowns" or reductions in base rent over the term of the Lease;
- 3) the tenant shall have no option to purchase or right of first refusal with respect to the sale of the Parcel subject to the Lease;
- 4) there shall be no free rent at the end of the Lease term;
- 5) no use shall be permitted which does not comply with any existing certificate of occupancy;
- 6) the tenant shall be required to provide Mortgagee with an estoppel certificate upon the reasonable request of Mortgagor or Mortgagee;
- 7) the term shall be for at least five (5) years;
- 8) no structural alterations shall be permitted which would adversely affect (i) the outside appearance of the Improvements; (ii) the strength and structural integrity of the Improvements; (iii) any part of the Improvements other than the space

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demised under the Lease; and (iv) the proper functioning of the mechanical, electrical, sanitary, plumbing and other service systems;

- 9) the Lease shall be subordinate to the Mortgage and the tenant shall agree to attorn to Mortgagee in the event Mortgagee acquires title to the Mortgaged Property;
- 10) the tenant shall not be released from personal liability in the event of an assignment or sublease of the Lease;
- 11) neither Mortgagor nor tenant shall have the right to cancel the Lease except in the event of a default under the Lease or the failure to satisfy a condition requiring the completion of tenant finish work by a date designated in the Lease;
- 12) neither Mortgagee nor anyone claiming under Mortgagee shall be liable for any act or omission of any prior landlord (including, without limitation, the then defaulting landlord);
- 13) neither Mortgagee nor anyone claiming under Mortgagee shall be subject to any offsets or defenses which such tenant may have against any prior landlord (including, without limitation, the then defaulting landlord);
- 14) neither Mortgagee nor anyone claiming under Mortgagee shall be bound by any payment of rent which such tenant might have paid for more than the current month or other customary rental period to any prior landlord (including, without limitation, the then defaulting landlord) other than security deposits and any other amounts deposited with any prior landlord (including, without limitation, the then defaulting landlord) or Mortgagee in connection with the payment of insurance premiums, real property taxes and assessments and other similar charges or expenses;
- 15) neither Mortgagee nor anyone claiming under Mortgagee shall be bound by any covenant to undertake or complete any construction of the premises or any portion thereof demised by such Lease.

8. Maintenance of Mortgaged Property. (a) Mortgagor covenants and agrees that it shall not commit or permit waste on any Parcel and shall maintain each Parcel at its own expense in a

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first class condition and state of repair so that each of the same shall meet or surpass the normal standards in the general areas of each respective Parcel set by buildings of similar type, age and function for attractiveness of appearance, cleanliness and general soundness of condition, but in no event less than the current standard for each Parcel. The Improvements shall not be removed, demolished or materially altered except for such alterations which do not reduce the value of the Improvements as security for the Debt. Mortgagor shall promptly comply with all present and future laws, administrative and judicial orders, ordinances, statutes, rules, regulations and requirements of all governmental authorities and all orders, rules and regulations of the National or Local Board of Fire Underwriters or any other body or bodies exercising similar functions affecting the Mortgaged Property or any portion thereof, or the use thereof (each, a "Legal Requirement" and collectively, the "Legal Requirements"), except for such non-compliance as is not likely to have a material adverse effect on any Parcel as security for the Debt. Except as otherwise provided herein, Mortgagor shall promptly repair, replace or rebuild any part of any Parcel which may be destroyed by any casualty, or become damaged, worn or dilapidated or which may be affected by any proceeding of the character referred to in paragraph 6 hereof and shall complete and pay for any structure at any time in the process of construction or repair on each Parcel. Mortgagor shall not initiate, join in, acquiesce in, or consent to any change in any private restrictive covenant, zoning law or other public or private restriction, limiting or defining the uses which may be made of the Mortgaged Property or any part thereof which adversely affects the value of any Parcel as security for the Debt. Except as otherwise specified in paragraphs 33 and 34 herein, Mortgagor represents and warrants that the Parcels are currently in compliance with the Legal Requirements, except for such non-compliance which is not likely to have a material adverse affect on the value of any Parcel as security for the Debt. If under applicable zoning provisions the use of all or any portion of the Mortgaged Property shall become a nonconforming use, Mortgagor will not cause or permit such nonconforming use to be discontinued or abandoned without the express written consent of Mortgagee. Mortgagor represents and warrants that no material default exists under any REA, and Mortgagor covenants that it will comply with all material terms and conditions of the REAs.

(b) Notwithstanding anything to the contrary contained in subparagraph (a) above, after prior written notice to Mortgagee, Mortgagor, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the validity or application of any Legal Requirements (other than any federal, state, and local laws, ordinances, rules and regulations pertaining to Hazardous Materials (hereinafter defined)), provided that (i) no Event of

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Default exists under the Note, this Mortgage, the Indenture or the Other Security Documents, (ii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Mortgagor is subject and shall not constitute a default thereunder, (iii) neither the Mortgaged Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost, and (iv) if by the terms of such Legal Requirement, compliance therewith pending the prosecution of any such proceeding may legally be delayed without incurring any lien, charge or liability of any kind against the Mortgaged Property, or any part thereof, and without subjecting the Mortgagor or the Mortgagee to any liability, civil or criminal, for failure to comply therewith.

9 Transfer or Encumbrance of the Mortgaged Property.

(a) Mortgagor acknowledges that Mortgagee has examined and relied on the creditworthiness of Mortgagor and experience of Mortgagor in owning and operating properties such as the Mortgaged Property in agreeing to make the loan secured hereby, and that Mortgagee will continue to rely on Mortgagor's ownership of the Mortgaged Property as a means of maintaining the value of the Mortgaged Property as security for repayment of the Debt. Mortgagor acknowledges that Mortgagee has a valid interest in maintaining the value of the Mortgaged Property so as to ensure that, should Mortgagor default in the repayment of the Debt, Mortgagee can recover the Debt by a sale of the Mortgaged Property. Except as permitted in the Indenture or this Mortgage (including, without limitation, paragraph 55 herein), Mortgagor shall not, without the prior written consent of Mortgagee, sell, assign, convey, alien, mortgage, encumber (except for the Permitted Encumbrances), pledge or otherwise transfer the Mortgaged Property or any part thereof, or interest therein, or permit the Mortgaged Property or any part thereof to be sold, assigned, conveyed, aliened, mortgaged, encumbered (except for the Permitted Encumbrances), pledged or otherwise transferred.

(b) A sale, assignment, conveyance, alienation, mortgage, encumbrance, pledge or transfer within the meaning of this paragraph 9 shall be deemed to include (i) an installment sales agreement wherein Mortgagor agrees to sell one or more Parcels or any part thereof for a price to be paid in installments; (ii) except as otherwise permitted in the Indenture or Paragraph 7 of this Mortgage, an agreement by Mortgagor leasing all or a substantial part of one or more Parcels for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Mortgagor's right, title and interest in and to any Leases or any Rents; or (iii) the transfer of management or control of one or more Parcels to a person or entity (other than to an affiliate of Mortgagor) other than by way of a management agreement, lease or sublease, provided such

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management agreement, lease or sublease is entered into in compliance with the terms hereof.

(c) Mortgagee reserves the right to condition the consent required hereunder upon a modification of the terms hereof and on assumption of this Mortgage as so modified by the proposed transferee, payment of a transfer fee, or such other conditions as Mortgagee shall determine in its sole discretion to be in the interest of Mortgagee. Mortgagee shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon Mortgagor's sale, assignment, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property or any portion thereof or interest therein without Mortgagee's consent. This provision shall apply to every sale, assignment, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property or any portion thereof or interest therein regardless of whether voluntary or not, or whether or not Mortgagee has consented to any previous sale, assignment, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property or any portion thereof or interest therein.

10. Estoppel Certificates. (a) After request by Mortgagee, Mortgagor, within ten (10) business days, shall furnish Mortgagee with a statement, duly acknowledged and certified, setting forth (i) the date installments of interest and/or principal were last paid, (ii) any offsets or defenses to the payment of the Debt known by Mortgagor, if any, and (iii) that the Note, the Indenture and this Mortgage are valid, legal and binding obligations and have not been modified or if modified, giving particulars of such modification.

(b) After request by Mortgagee, Mortgagor, within ten (10) business days, will use its best efforts to furnish Mortgagee with estoppel certificates from any lessees under the Leases as required by their respective Leases.

(c) After request by Mortgagee, Mortgagor, within ten (10) business days, will use its best efforts to furnish Mortgagee with estoppel certificates from any lessor under any Ground Lease, as required by their respective Ground Leases.

(d) After request by Mortgagee, Mortgagor, within ten (10) business days, will use its best efforts to furnish Mortgagee with estoppel certificates from any party to any reciprocal easement agreement (an "REA") to which Mortgagor is a party as required by their respective REAs.

(e) In the event Mortgagor is unable to provide Mortgagee with any of the certificates contemplated in subparagraphs (b), (c) and (d) above within ten (10) business

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days of request therefor by Mortgagee, Mortgagor shall deliver an Officer's Certificate to Mortgagee in substantially the same form as the requested estoppel certificate.

11. Changes in the Laws Regarding Taxation. If any law is enacted or adopted or amended after the date of this Mortgage which deducts the Debt from the value of the Mortgaged Property or any Parcel, for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Mortgagee's interest in the Mortgaged Property or any Parcel, Mortgagor will pay such tax, with interest and penalties thereon, if any. In the event Mortgagee is advised by counsel chosen by it that the payment of such tax or interest and penalties by Mortgagor would be unlawful or taxable to Mortgagee or unenforceable or provide the basis for a defense of usury, then in any such event, Mortgagee shall have the option, by written notice of not less than ninety (90) days, to declare the Debt immediately due and payable; provided however, if counsel retained by Mortgagee advises Mortgagee based on evidence obtained from Mortgagor, including but not limited to an opinion of Mortgagor's counsel that the release of those Parcels located in jurisdictions subject to such a law would not affect the validity or enforceability of this Mortgage, the Note, the Indenture or the Other Security Documents as they relate to Parcels located in jurisdictions other than those subject to such a law, then the adoption of such a law shall constitute a Property Default (hereinafter defined) as against those affected Parcels rather than an Event of Default.

12. No Credits on Account of the Debt. Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against any Parcel comprising the Mortgaged Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of any Parcel, or any part thereof, for real estate tax purposes by reason of this Mortgage or the Debt. In the event such claim, credit or deduction shall be required by law, Mortgagee shall have the option, by written notice of not less than ninety (90) days, to declare the Debt immediately due and payable. Provided however, if counsel retained by Mortgagee advises Mortgagee based on evidence obtained from Mortgagor, including but not limited to an opinion of Mortgagor's counsel that the release of those Parcels located in jurisdictions subject to such a law would not affect the validity or enforceability of this Mortgage, the Note, the Other Security Documents or the Indenture as they relate to such other Parcels located in jurisdictions other than those subject to such a law, then the adoption of such a law requiring such claim, credit or deduction shall constitute a Property Default (hereinafter defined) as against those affected Parcels rather than an Event of Default.

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13. Documentary Stamps. If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, the Indenture or this Mortgage, or impose any other tax or charge on the same, Mortgagor will pay for the same, with interest and penalties thereon, if any.

14. Usury Laws. This Mortgage, the Indenture and the Note are subject to the express condition that at no time shall Mortgagor be obligated or required to pay interest on the Debt or any other amount in the nature of interest at a rate in excess of the maximum rate permitted by applicable law or at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which Mortgagor is permitted by applicable law to contract or agree to pay. If by the terms of this Mortgage, the Indenture or the Note, Mortgagor is at any time required or obligated to pay interest on the Debt or any other amount in the nature of interest at a rate in excess of such maximum rate, the rate of interest under the same shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note outstanding.

15. Books and Records. Mortgagor and Subsidiary Guarantor shall keep adequate books and records of account for each Parcel in accordance with the terms of the Indenture.

16. Performance of Other Agreements. Mortgagor shall observe and perform each and every term to be observed or performed by Mortgagor pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Mortgaged Property, provided however, any non-compliance which does not have a material adverse affect on the value of any Parcel as security for the Debt shall not constitute a default hereunder.

17. Further Acts, etc. Mortgagor will, at the cost of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Mortgagee the property and rights hereby mortgaged, given, granted, bargained, sold, aliened, enfeoffed, conveyed, confirmed, pledged, assigned and hypothecated or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage. Mortgagor, on

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demand, will execute and deliver and hereby authorizes Mortgagee to execute in the name of Mortgagor or without the signature of Mortgagor to the extent Mortgagee may lawfully do so, one or more financing statements, chattel mortgages or other instruments, to evidence more effectively the security interest of Mortgagee in the Mortgaged Property. Mortgagor grants to Mortgagee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Mortgagee at law and in equity, with regard to such rights and remedies available to Mortgagee pursuant to this paragraph 17.

18. Recording of Mortgage, etc. Mortgagor forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage, and any security instrument creating a lien or security interest or evidencing the lien hereof upon the Mortgaged Property and each instrument of further assurance 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 protect the lien or security interest hereof upon, and the interest of Mortgagee in, the Mortgaged Property. Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Mortgage, any mortgage, deed of trust or deed to secure debt supplemental hereto, any security instrument with respect to the Mortgaged Property and any instrument of further assurance, and all federal, state, county and municipal, taxes, duties, imposts, assessments and charges arising out of or in connection with the filing, registration, recordation, execution and delivery of this Mortgage, any mortgage, deed of trust or deed to secure debt supplemental hereto, any security instrument with respect to the Mortgaged Property or any instrument of further assurance, except where prohibited by law so to do. Mortgagor shall defend, hold harmless and indemnify Mortgagee, its successors and assigns, against any liability incurred by reason of the imposition of any tax on the making and recording of this Mortgage.

19. Prepayment. The Debt may be prepaid in accordance with the terms of the Indenture.

20. Events of Default. (a) For any Parcel with respect to which any of the following events shall occur (a "Property Default"), the greater of (i) 75% of the appraised value of such Parcel set forth in the appraisal delivered under Section 3.01 C of the Indenture or 110% of the applicable Release Price (as defined in the Indenture) (the "Property Default Cure Price") shall become immediately due and payable at the option of Mortgagee upon the occurrence and continuance of a Property Default for a period of thirty (30) days following written notice thereof given by Mortgagee to Mortgagor:

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(1) if any of the Taxes or Other Charges as to such Parcel are not paid prior to the attachment of any interest or penalties thereon;

(2) if the Policies as to such Parcel are not kept in full force and effect, or if such Policies (or certified copies) are not delivered to Mortgagee upon request or any of such Policies are not assigned as provided in paragraph 3 hereof;

(3) if as to such Parcel Mortgagor violates or does not comply with any of the provisions of paragraphs 7, 8, 9, 33 or 34 hereof;

(4) if any representation or warranty of Mortgagor or Subsidiary Guarantor, made herein, or in any such guaranty or in any certificate, report, financial statement or other instrument or document furnished to Mortgagee shall have been false or misleading in any material respect when made with respect to such individual Parcel;

(5) if Mortgagor shall be in default under any other deed of trust, deed to secure debt or mortgage or security agreement covering any such Parcel whether it be superior or junior in lien to this Mortgage and such default has resulted in the acceleration of the indebtedness secured thereby, and such indebtedness is not timely paid;

(6) if such Parcel becomes subject to any mechanic's, materialman's or other lien other than a lien for local real estate taxes and assessments not then due and payable and such lien shall remain undischarged of record (by payment, bonding or otherwise) for a period of forty-five (45) days or earlier if required to prevent a foreclosure of the lien;

(7) if Mortgagor shall continue to be in default under any of the other terms, covenants or conditions of this Mortgage or any assignment of leases and rents given in connection herewith for ten (10) days after notice from Mortgagee in the case of any default which can be cured by the payment of a sum of money or for thirty (30) days after notice from Mortgagee in the case of any other default, provided that if such default cannot reasonably be cured within such thirty (30) day period and Mortgagor shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be

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extended for so long as it shall require Mortgagor in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of ninety (90) days;

(8) if Mortgagor shall fail in the payment of any rent, additional rent or other charge payable by Mortgagor under the Ground Lease on such Parcel when said rent or other charge is due and payable;

(9) if there shall occur any default by Mortgagor, as lessee under the Ground Lease on such Parcel, in the observance or performance of any term, covenant or condition of such Ground Lease on the part of Mortgagor, to be observed or performed which materially adversely affects the value of the Ground Lease as security for the Debt, and said default is not cured within seven (7) days prior to the expiration of any applicable grace period therein provided, or if any one or more of the events referred to in such Ground Lease shall occur which would cause such Ground Lease to terminate without notice or action by the lessor under such Ground Lease or which would entitle the lessor under such Ground Lease to terminate such Ground Lease and the term thereof by giving notice to Mortgagor, as tenant thereunder, or if the leasehold estate created by such Ground Lease shall be surrendered or such Ground Lease shall be terminated or cancelled for any reason or under any circumstances whatsoever, including, without limitation, pursuant to Section 365 of the Code (hereinafter defined), or if any of the terms, covenants or conditions of such Ground Lease shall in any manner be modified, changed, supplemented, altered, or amended without the consent of Mortgagee which modification, change, supplement, alteration or amendment adversely affects the Ground Lease as security for the Debt, or if Mortgagor shall fail to exercise its option to renew such Ground Lease if such option is exercisable only prior to the maturity of the Note, or shall fail or neglect to pursue diligently all actions necessary to exercise such renewal rights pursuant to the terms of such Ground Lease;

(10) if with respect to such Parcel there shall occur any material default by Mortgagor under any REA, in the observance or performance of any material term, covenant or condition of an REA on the part of Mortgagor, to be observed or performed, and said default is not cured within seven (7) days prior to the expiration of any applicable grace period therein provided, or if any one or more of the events referred

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to in the REA shall occur which would cause the REA to terminate without notice or action by any other party to an REA under the REA or which would entitle such other party to terminate the REA by giving notice to Mortgagor, or if the REA shall be terminated or cancelled for any reason or under any circumstances whatsoever, or if any of the terms, covenants or conditions of the REA shall in any manner be modified, changed, supplemented, altered, or amended in any material respect without the written consent of Mortgagee, which changes, alterations, or supplements shall materially reduce the value of such Parcel as security for the Debt, or if Mortgagor shall fail to exercise any option to renew the REA which shall be exercisable prior to the maturity of the Note, or shall fail or neglect to pursue diligently all actions necessary to exercise such renewal rights pursuant to the terms of the REA;

(11) if this Mortgage shall be declared in a final, unappealable judgement issued by any court of competent jurisdiction to be not a valid, binding and enforceable first lien, provided, however, solely in the case of a loss of priority of the lien of this Mortgage, it shall not constitute a Property Default hereunder if such loss of priority is covered by the title insurance policies delivered to the Mortgagee, insuring the lien of this Mortgage, and the title company does not deny liability after notice of claim; or

(12) if the realization on any collateral securing the Chemical Credit Agreement (as defined in the Indenture) by Chemical Bank as collateral agent, or any successor collateral agent under the Chemical Credit Agreement, shall cause a material adverse affect on the business operations of any such Parcel.

Subject to the terms of the Indenture, upon payment in full of such applicable Property Default Cure Price, together with all Release Expenses, for any Parcel for which a Property Default has occurred within thirty (30) days of notice from Mortgagee to Mortgagor of such Property Default, the Parcel and the Improvements erected thereon shall be released from the lien of this Mortgage and such Property Default shall be deemed cured.

b. The Debt shall become immediately due and payable at the option of Mortgagee upon the occurrence and continuance of any one or more of the following events (an "Event of Default"):

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(1) if any portion of the Debt is not paid within five (5) days after the same is due;

(2) if any portion of any Property Default Cure Price is not paid or otherwise cured within thirty (30) days of notice from Mortgagee to Mortgagor of a Property Default;

(3) if any representation or warranty of Mortgagor or Subsidiary Guarantor, made herein, or in any such guaranty or in any certificate, report, financial statement or other instrument or documents furnished to Mortgagee relating to Parcels, the appraised values of which in the aggregate comprise greater than ten (10%) of the value of the Mortgaged Property shall have been false or misleading in any material respect when made; or

(4) if an Event of Default (as such term is defined in the Indenture) shall have occurred under the Indenture.

21. Remedies of Mortgagee. Upon the occurrence and continuance of any Event of Default, Mortgagee shall have the right to exercise any and all rights and remedies available at law and in equity. In addition, upon the occurrence and continuance of an Event of Default under paragraph 20(b)(1) or 20(b)(2) hereunder or upon the occurrence and continuance of an Event of Default (as such term is defined in the Indenture) under section 6.01(A) or section 6.01(B) of the Indenture, Mortgagor will pay, from the date of such Event of Default, interest on the unpaid principal balance of the Note at the Overdue Rate (as defined in the Indenture).

22. Sale of Mortgaged Property. If this Mortgage is foreclosed, the Mortgaged Property, or any interest therein, may, at the discretion of Mortgagee, be sold in one or more Parcels or in several interests or portions thereof and in any order or manner.

23. Mortgagee's Right to Cure Defaults. Upon the occurrence of any Property Default or Event of Default or if Mortgagor fails to make any payment or to do any act as herein provided, Mortgagee may, but without any obligation to do so, upon five (5) days notice (except in the case of an emergency, where in such case no notice shall be necessary) and without releasing Mortgagor from any obligation hereunder, make such payment or do such act in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof. Mortgagee is authorized to enter upon any Parcel for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or in the case

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of an Event of Default only, to foreclose this Mortgage or collect the Debt and all costs and expenses thereof (including reasonable attorneys' fees and litigation costs to the extent permitted by law), with interest as provided in this paragraph 23, shall constitute a portion of the Debt and shall be due and payable to Mortgagee upon demand. All such costs and expenses incurred by Mortgagee in remedying such Property Default or Event of Default or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Overdue Rate, for the period after notice from Mortgagee that such cost or expense was incurred to the date of payment to Mortgagee. All such costs and expenses incurred by Mortgagee, together with interest thereon calculated at the Overdue Rate, shall be deemed to constitute a portion of the Debt and be secured by this Mortgage and the Other Security Documents and shall be immediately due and payable upon demand by Mortgagee therefor.

24. Late Payment Charge. If any portion of the Debt is not paid on the date it is due, Mortgagor shall pay to Mortgagee upon demand an amount equal to the lesser of two percent (2%) of such unpaid delinquent portion of the Debt or the maximum amount permitted by applicable law (the "Late Payment Charge"), to defray the expense incurred by Mortgagee in handling and processing such delinquent payment and to compensate Mortgagee for the loss of use of such payment, and such amount shall be secured by this Mortgage and the Other Security Documents. The Late Payment Charge shall not apply to any payment of any installment of interest, premium, if any, or Consequential Loss (as defined in the Indenture), if any, or any payment of principal if the failure to make such payment constitutes an Event of Default, in which case, the Overdue Rate shall apply as provided herein.

25. Right of Entry. Mortgagee and its agents shall have the right to enter and inspect the Mortgaged Property at all reasonable times upon prior notice to Mortgagor except where notice is not required as provided herein.

26. Appointment of Receiver. The holder of this Mortgage, upon the occurrence of an Event of Default which is continuing or in any action to foreclose this Mortgage or upon the actual waste to any part of the Mortgaged Property, shall be entitled to the appointment of a receiver without notice and without regard to the value of the Mortgaged Property as security for the Debt, or the solvency or insolvency of any person liable for the payment of the Debt.

27. Reasonable Use and Occupancy. In addition to the rights which Mortgagee may have hereunder, upon the occurrence of any Event of Default which is continuing, Mortgagee, at its option, may require Mortgagor to pay monthly in advance to Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of

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such part of any Parcel in which Mortgagor is the lessor under Leases aggregating in excess of 90% of the gross leasable square footage of such Parcel as may be occupied by Mortgagor or may require Mortgagor to vacate and surrender possession of such Parcel to Mortgagee or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise.

28. Security Agreement. This Mortgage is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code (hereinafter defined). The Mortgaged Property includes both real and personal property (as expressly limited hereunder) and all other rights and interests, whether tangible or intangible in nature, of Mortgagor in the Mortgaged Property. Mortgagor by executing and delivering this Mortgage has granted and hereby grants to Mortgagee, as security for the Debt, a security interest in the Mortgaged Property to the full extent that the Mortgaged Property may be subject to the Uniform Commercial Code (said portion of the Mortgaged Property so subject to the Uniform Commercial Code being called in this paragraph 28 the "Collateral"). If an Event of Default shall occur and be continuing, Mortgagee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Mortgagee may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Mortgagee, Mortgagor shall at its expense assemble the Collateral and make it available to Mortgagee at a convenient place acceptable to Mortgagee. Mortgagor shall pay to Mortgagee on demand any and all expenses, including legal expenses, attorneys' fees and litigation costs, incurred or paid by Mortgagee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Collateral sent to Mortgagor in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute commercially reasonable notice to Mortgagor. The proceeds of any disposition of the Collateral, or any part thereof, may be applied by Mortgagee to the payment of the Debt in such priority and proportions as Mortgagee in its discretion shall deem proper.

29. Actions and Proceedings. Mortgagee has the right, but not the obligation, to appear in and defend any action or proceeding brought with respect to the Mortgaged Property, or any part thereof, and upon five (5) days prior notice to Mortgagor to bring any action or proceeding, in the name and on behalf of Mortgagor, which Mortgagee, in its discretion, decides should be brought to protect its interest in the Mortgaged Property or any

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portion thereof. Mortgagee shall, at its option, be subrogated to the lien of any deed of trust, deed to secure debt or mortgage or other security instrument discharged in whole or in part by all or any portion of the Debt, and any such subrogation rights shall constitute additional security for the payment of the Debt.

30. Waiver of Counterclaim. Mortgagor hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Mortgagee, and waives trial by jury in any action or proceeding brought by either party hereto against the other or in any counterclaim asserted by Mortgagee against Mortgagor, or in any matters whatsoever arising out of or in any way connected with this Mortgage, the Note, the Indenture and any of the Other Security Documents or the Debt.

31. Recovery of Sums Required To Be Paid. Mortgagee shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

32. Marshalling and Other Matters. Mortgagor hereby waives, to the extent permitted by law, the benefit of all appraisement, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Mortgaged Property or any part thereof or any interest therein. Further, Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Mortgagor, and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage and on behalf of all persons to the extent permitted by applicable law.

33. Hazardous Materials. Mortgagor represents and warrants that, to the best of Mortgagor's knowledge, after due inquiry and investigation, (a) there are no Hazardous Materials on the Mortgaged Property other than as set forth in the reports listed on Exhibit E (the "Hart Reports"), (b) all Hazardous Materials located on the Mortgaged Property are in compliance with all applicable federal, state and local laws, ordinances, rules and regulations, except as set forth in the Hart Reports, and (c) no owner or occupant nor any prior owner or occupant of all or any portion of the Mortgaged Property has received any notice or advice from any governmental agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the Mortgaged Property. Mortgagor represents and warrants that there have been no releases of Hazardous Materials

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in or from the Mortgaged Property by the Mortgagor or to the best of Mortgagor's knowledge, any prior owner other than disclosed by the Hart Reports. Mortgagor covenants that the Mortgaged Property shall be kept free of Hazardous Materials not in compliance with all applicable federal, state and local laws, ordinances, rules and regulations, and neither Mortgagor nor any occupant of the Mortgaged Property shall use, transport, store, dispose of or in any manner deal with Hazardous Materials on the Mortgaged Property, except in compliance with all applicable federal, state and local laws, ordinances, rules and regulations. Mortgagor shall comply with, and ensure compliance by all occupants of the Mortgaged Property with, all applicable federal, state and local laws, ordinances, rules and regulations, and shall keep the Mortgaged Property free and clear of any liens imposed pursuant to such laws, ordinances, rules or regulations. In the event that Mortgagor receives any notice or advice from any governmental agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the Mortgaged Property, Mortgagor shall immediately notify Mortgagee. Mortgagor shall conduct and complete all investigations, studies, sampling, and testing, and all remedial actions necessary to clean up and remove all Hazardous Materials from the Mortgaged Property in accordance with all applicable federal, state, and local laws, ordinances, rules and regulations. The term "Hazardous Materials" as used in this Mortgage shall include, without limitation, gasoline, petroleum, petroleum products, explosives, radioactive materials, polychlorinated biphenyls or related or similar materials, or any other substance or material defined as a hazardous or toxic substance or material by any federal, state or local law, ordinance, rule, or regulation, but excluding Asbestos, as defined in paragraph 34 hereof. The obligations and liabilities of Mortgagor under this paragraph 33 shall survive any foreclosure or the delivery of a deed in lieu of foreclosure of this Mortgage.

34. Asbestos. Mortgagor represents and warrants that, to the best of Mortgagor's knowledge, after due inquiry and investigation, that there is no asbestos or material containing asbestos ("Asbestos") on the Mortgaged Property other than as disclosed in the Hart Reports and that no owner or occupant nor any prior owner or occupant of the Mortgaged Property has received any notice or advice from any governmental agency or any source whatsoever with respect to Asbestos on, affecting or installed on the Mortgaged Property. Neither Mortgagor nor any occupant of the Mortgaged Property shall install, or permit to be installed, any Asbestos on the Mortgaged Property. Mortgagor shall comply with, and ensure compliance by all occupants of the Mortgaged Property with, all applicable federal, state and local laws, ordinances, rules and regulations with respect to Asbestos, and shall keep the Mortgaged Property free and clear of any liens imposed pursuant to such laws, ordinances, rules or regulations. In the event that Mortgagor receives any notice or advice from

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any governmental agency or any source whatsoever with respect to Asbestos on, affecting or installed on the Mortgaged Property, Mortgagor shall immediately notify Mortgagee. Mortgagor shall conduct and complete all investigations, studies, sampling, and testing, and all remedial actions necessary to clean up and remove or otherwise encapsulate or remediate all Asbestos from the Mortgaged Property in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. The obligations and liabilities of Mortgagor under this paragraph 34 shall survive any foreclosure or delivery of a deed in lieu of foreclosure of this Mortgage.

35. Indemnification. Mortgagor shall protect, defend, indemnify and save harmless Mortgagee from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation reasonable attorneys' fees, expenses and litigation costs), imposed upon or incurred by or asserted against Mortgagee prior to Mortgagee acquiring title to any portion of the Mortgaged Property through foreclosure or a deed in lieu of foreclosure (provided however any liability imposed upon, incurred by or asserted against Mortgagee following Mortgagee's acquisition of title to any portion of the Mortgaged Property arising out of a state of facts occurring prior to such acquisition, will be deemed to be imposed upon, incurred by or asserted against Mortgagee prior to such acquisition) by reason of (a) ownership of this Mortgage, the Mortgaged Property or any interest therein or receipt of any Rents; (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Mortgaged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (c) any design, construction, operation, use, nonuse or condition in, on or about the Mortgaged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (d) any failure on the part of Mortgagor to perform or comply with any of the terms of this Mortgage; (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof; (f) the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release, or threatened release of any Hazardous Materials on, from, or affecting the Mortgaged Property or any other property or the presence of Asbestos on the Mortgaged Property; (g) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials or Asbestos; (h) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials or Asbestos; (i) any violation of laws, orders, regulations, requirements, or demands of government authorities, which are based upon or in any way related to such Hazardous Materials or Asbestos including, without limitation, the costs and expenses of any remedial

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action, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses or (j) negligent or tortious acts of Mortgagor or its agents, contractors, servants, employees, sublessees, licensees, guests or invitees. Any amounts payable to Mortgagee by reason of the application of this paragraph 35 shall become immediately due and payable upon demand by Mortgagee and shall bear interest at the Overdue Rate from the date loss or damage is sustained by Mortgagee until paid and shall be secured by this Mortgage. The obligations and liabilities of Mortgagor under this paragraph 35 shall survive any termination, satisfaction, assignment, foreclosure or delivery of a deed in lieu of foreclosure of this Mortgage; provided however, Mortgagor shall have no liability under this paragraph 35 to indemnify Mortgagee for Mortgagee's gross negligence or willful misconduct.

36. Notices. Any notice, demand, statement, request or consent made hereunder shall be in writing and shall be deemed given upon the earlier to occur of a) three (3) days from the date when postmarked, addressed and mailed by first class mail to the address, as set forth in the preamble hereto, of the party to whom such notice is to be given, or to such other address as Mortgagor or Mortgagee, as the case may be, shall in like manner designate in writing, or b) when received.

37. Authority. (a) Mortgagor has full power, authority and legal right to execute this Mortgage, and to mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm, pledge, hypothecate and assign the Mortgaged Property pursuant to the terms hereof and to keep and observe all of the terms of this Mortgage on Mortgagor's part to be performed. (b) Mortgagor represents and warrants that Mortgagor is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended and the related Treasury Department regulations, including temporary regulations.

38. Waiver of Notice. Mortgagor shall not be entitled to any notices of any nature whatsoever from Mortgagee except with respect to matters for which this Mortgage specifically and expressly provides for the giving of notice by Mortgagee to Mortgagor and except with respect to matters for which Mortgagee is required by applicable law to give notice, and Mortgagor hereby expressly waives the right to receive any notice from Mortgagee with respect to any matter for which this Mortgage does not specifically and expressly provide for the giving of notice by Mortgagee to Mortgagor.

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

satisfactory or not satisfactory shall be in the sole discretion of Mortgagee and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein provided, however, nothing herein shall be deemed to relieve Mortgagee of any obligations it may have to act in good faith.

40. Non-Waiver. The failure of Mortgagee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor's obligations hereunder by reason of (a) the failure of Mortgagee to comply with any request of Mortgagor or Subsidiary Guarantor to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note, the Indenture or the Other Security Documents, (b) the release, regardless of consideration, of the whole or any part of the Mortgaged Property, or of any person liable for the Debt or any portion thereof, or (c) any agreement or stipulation by Mortgagee extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Mortgage, the Indenture or the Other Security Documents. Mortgagee may resort for the payment of the Debt to any other security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect. Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Mortgagee thereafter to foreclose this Mortgage. The rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

41. No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Mortgagor or Mortgagee, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

42. Successors and Assigns. This Mortgage shall be binding upon and inure to the benefit of Mortgagor and Mortgagee and their respective successors and assigns forever.

43. Inapplicable Provisions. If any term, covenant or condition of the Note or this Mortgage is held to be invalid, illegal or unenforceable in any respect, the Note and this Mortgage shall be construed without such provision.

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44. Headings, etc. The headings and captions of various paragraphs of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

45. Duplicate Originals. This Mortgage may be executed in any number of duplicate originals and each such duplicate original shall be deemed to be an original.

46. Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage may be used interchangeably in singular or plural form and the word "Mortgagor" shall mean "each Mortgagor and any subsequent owner or owners of the Mortgaged Property or any part thereof or any interest therein, including, but not limited to the leasehold estates created by the Ground Leases," the word "Mortgagee" shall mean "Mortgagee and any subsequent holder of this Mortgage," the word "Note" shall mean "the Note and any other evidence of indebtedness secured by this Mortgage," the word "person" shall include an individual, corporation, partnership, trust, unincorporated association, government, governmental authority, and any other entity, and the words "Mortgaged Property" shall include any portion of the Mortgaged Property and any interest therein. All and any of the documents other than the Note, Indenture or this Mortgage now or hereafter executed by Mortgagor and/or others and by or in favor of Mortgagee or the Secured Noteholders, which wholly or partially secure or guaranty payment of the Note are herein referred to as the "Other Security Documents". Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

47. The Ground Leases. Mortgagor shall (i) pay all rents, additional rents and other sums required to be paid by Mortgagor, as tenant under and pursuant to the provisions of the Ground Leases, (ii) diligently perform and observe all of the terms, covenants and conditions of the Ground Leases on the part of Mortgagor, as tenant thereunder, to be performed and observed at least seven (7) days prior to the expiration of any applicable grace period therein set forth, provided however in the event such non-performance or non-compliance does not adversely affect the value of such Ground Lease as security for the Debt, such non-performance or non-compliance shall not constitute a default hereunder, and (iii) promptly notify Mortgagee of the giving of any notice by a lessor under a Ground Lease to Mortgagor of any default by Mortgagor, as tenant thereunder, to be performed or observed and deliver to Mortgagee a true copy of each such notice. Mortgagor shall not, without the prior written consent of Mortgagee, surrender a leasehold estate created by a Ground

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Lease or terminate or cancel a Ground Lease or modify, change, supplement, alter or amend a Ground Lease, so as to reduce the value of such Ground Lease as security for the Debt, either orally or in writing. Mortgagor hereby assigns to Mortgagee, as further security for the payment of the Debt and for the performance and observance of the terms, covenants and conditions of this Mortgage, all of the rights, privileges and prerogatives of Mortgagor, as tenant under the Ground Leases, to surrender the leasehold estates created by the Ground Leases or to terminate, cancel, modify, change, supplement, alter or amend the Ground Leases provided however, for so long as an Event of Default is not continuing hereunder, Mortgagee shall not exercise any of Mortgagor's rights as tenant under any Ground Lease except as provided below. Any surrender of any of the leasehold estates created by the Ground Leases or termination, cancellation, or modification, change, supplement, alteration or amendment of a Ground Lease which reduces the value of such Ground Lease as security for the Debt, without the prior consent of Mortgagee shall be void and of no force and effect. If Mortgagor shall default in the performance or observance of any term, covenant or condition of any Ground Lease on the part of Mortgagor, as tenant thereunder, to be performed or observed, then, without limiting the generality of the other provisions of this Mortgage, and without waiving or releasing Mortgagor from any of its obligations hereunder, Mortgagee shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the terms, covenants and conditions of the Ground Leases on the part of Mortgagor, as tenant thereunder, to be performed or observed or to be promptly performed or observed on behalf of Mortgagor, to the end that the rights of Mortgagor in, to and under the Ground Leases shall be kept unimpaired and free from default. If Mortgagee shall make any payment or perform any act or take action in accordance with the foregoing, Mortgagee will promptly notify Mortgagor of the making of any such payment, the performance of any such act, or the taking of any such action. In any such event, subject to the rights of lessees, sublessees and other occupants under the Leases, Mortgagee and any person designated by Mortgagee shall have, and are hereby granted, the right to enter upon the Mortgaged Property at any time and from time to time for the purpose of taking any such action. If the lessor under a Ground Lease shall deliver to Mortgagee a copy of any notice of default sent by said lessor to Mortgagor, as tenant under such Ground Lease, such notice shall constitute full protection to Mortgagee for any action taken or omitted to be taken by Mortgagee, in good faith, in reliance thereon. Mortgagor shall exercise each individual option, if any, to extend or renew the term of each Ground Lease upon demand by Mortgagee made at any time within ninety (90) days of the last day upon which any such option, may be exercised, and Mortgagor hereby expressly authorizes and appoints Mortgagee its attorney-in-fact to exercise any such option in the name of and upon

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behalf of Mortgagor, following notice to Mortgagor, which power of attorney shall be irrevocable and shall be deemed to be coupled with an interest.

48. [Intentionally omitted.]

49. [Intentionally omitted.]

50. Bankruptcy. (a) In the event of the bankruptcy, reorganization or insolvency of the Mortgagor or the lessor under a Ground Lease, any attempt by the Mortgagor to surrender its leasehold estate, or any portion thereof, under a Ground Lease, or any attempt by Mortgagor to terminate, cancel or acquiesce in the rejection of a Ground Lease without the consent of Mortgagee shall be null and void. Mortgagor hereby expressly releases, assigns, relinquishes and surrenders unto Mortgagee all its right, power and authority to terminate, cancel, acquiesce in rejection of, modify, change, supplement, alter or amend a Ground Lease in any respect, either orally or in writing, in the event of the bankruptcy, reorganization or insolvency of Mortgagor or any lessor under a Ground Lease, and any attempt on the part of Mortgagor to exercise any such right without the consent of Mortgagee shall be null and void.

(b) Notwithstanding the rejection of a Ground Lease by a lessor under a Ground Lease, as debtor in possession, or by a trustee for the lessor under such Ground Lease, pursuant to Section 365 of Title 11 of the United States Code (the "Code"), neither the lien of this Mortgage nor Mortgagee's rights with respect to such Ground Lease shall be affected or impaired by reason thereof. In the event that Mortgagor shall remain in possession of the Mortgaged Property following a rejection of the Ground Lease by the lessor under such Ground Lease, as debtor in possession, or by a trustee for the lessor under such Ground Lease, Mortgagor agrees that Mortgagor shall not exercise any right of offset against the rent payable under such Ground Lease, pursuant to Section 365(h)(2) of the Code, or otherwise, without the prior written consent of Mortgagee thereto.

51. Subleases. Mortgagor shall use its best efforts to have each Lease hereafter made and each renewal of any existing Lease provide that, (a) in the context of the bankruptcy or insolvency of a lessor under a Ground Lease and the termination of a Ground Lease, the Lease shall not terminate or be terminable by the lessee; (b) in the event of any action or proceeding for the foreclosure of this Mortgage, the Lease shall not terminate or be terminable by the subtenant by reason of the termination of a Ground Lease unless the lessee is specifically named and joined in any such action and unless a judgment is obtained therein against the lessee; and (c) in the event that a Ground Lease is terminated as aforesaid, but Mortgagee enters into a new ground lease with the lessor under the Ground Lease,

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within 120 days of the completion of the foreclosure action or obtaining possession of the applicable Parcel the lessee shall attorn to the lessor under such Ground Lease or to the purchaser at the sale of the Mortgaged Property on such foreclosure, as the case may be.

52. No Merger of Fee and Leasehold Estates; Releases. So long as any portion of the Debt shall remain unpaid, unless Mortgagee shall otherwise consent in writing, the fee title to the Premises and the leasehold estates therein created pursuant to the provisions of the Ground Leases shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in Mortgagor, lessor under any Ground Lease, or in any other person by purchase, operation of law or otherwise. Mortgagee reserves the right, at any time, to release portions of the Mortgaged Property, including, but not limited to, the leasehold estates created by the Ground Leases, with or without consideration, at Mortgagee's election, without waiving or affecting any of its rights hereunder or under the Note, the Indenture or the Other Security Documents and any such release shall not affect Mortgagee's rights in connection with the portion of the Mortgaged Property not so released.

53. Mortgagor's Acquisition of Fee Estate. In the event that Mortgagor, so long as any portion of the Debt remains unpaid, shall be the owner and holder of the fee title to a Parcel subject to a Ground Lease, the lien of this Mortgage shall be spread to cover Mortgagor's fee title to the Parcel and said fee title shall be deemed to be included in the Mortgaged Property. Mortgagor agrees, at its sole cost and expense, including without limitation, Mortgagee's reasonable attorney's fees and disbursements, to (i) execute any and all documents or instruments necessary to subject its fee title to the Parcel to the lien of this Mortgage; and (ii) provide a title insurance policy which shall insure that the lien of this Mortgage is a first lien on Mortgagor's fee title to the Parcel subject only to the Permitted Encumbrances.

54. Partial Releases of the Premises. If Mortgagor is not in default under the Note, this Mortgage, the Indenture or the Other Security Documents, Mortgagor may, from time to time upon request to Mortgagee obtain releases of any Parcel and the Improvements erected thereon from the lien of this Mortgage pursuant to the terms of the Indenture provided: a) Mortgagor pays all Release Expenses and b) Mortgagor shall comply with all of the terms and conditions of the Indenture with respect to such proposed release including but not limited to the applicable provisions of Article Three of the Indenture.

55. Subordinate Mortgage. Notwithstanding anything to the contrary contained in paragraph 9 hereof, Mortgagor shall be entitled to encumber the Mortgaged Property with the lien of a

subordinate mortgage, deed of trust, or deed to secure debt (collectively, the "Subordinate Mortgage") pursuant to the Chemical Credit Agreement (as defined in the Indenture) and that certain Intercreditor Agreement of even date herewith between Chemical Bank and Mortgagee provided such Subordinate Mortgage is subject to the Intercreditor Agreement.

56. Mortgagee's Consent. In the event the consent or approval of Mortgagee is required pursuant to any provision of this Mortgage, Mortgagee shall give such consent or approval only upon the receipt of written direction from such Holders (as defined in the Indenture) of not less than a majority in principal amount of the Secured Notes (as defined in the Indenture) at the time outstanding.

PART II

ILLINOIS PROVISIONS

57. CHOICE OF LAW. THIS MORTGAGE SHALL BE DEEMED TO BE A CONTRACT ENTERED INTO PURSUANT TO THE LAWS OF THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS BE GOVERNED, CONSTRUED, APPLIED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, PROVIDED HOWEVER, THAT WITH RESPECT TO THE CREATION, PERFECTION, PRIORITY AND ENFORCEMENT OF THE LIEN AS TO ANY PARTICULAR PARCEL, THE LAWS OF ILLINOIS SHALL APPLY.

58. Use of Proceeds. Mortgagor hereby represents and agrees that the proceeds of the Note secured by this Mortgage shall be used for business purposes and that the indebtedness secured hereby constitutes a business loan.

59. The following paragraph is hereby inserted on page 4 of the Mortgage following the second full paragraph:

"PROVIDED, FURTHER HOWEVER, Notwithstanding any provision contained herein to the contrary, in no event shall the principal indebtedness secured hereby exceed \$90,000,000.00;"

60. The following words are hereby inserted on page 3, subparagraph (e) of the Mortgage following the words "located upon the Premises and the Improvements," and preceding the words "or appurtenant thereto, or usable in connection":

and all proceeds and products of
and accessions to and substitutions
and replacements for all such
fixtures and other property owned
by Mortgagor, or in which Mortgagor
has or shall have an interest,

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61. The last two words of paragraph 9(a) entitled "Transfer or Encumbrance of the Mortgaged Property" of the Mortgage are hereby deleted and the word "transferred by operation of law or otherwise" are substituted therefor.

62. The word "or" which appears immediately prior to the words "(iii) the transfer of management" in paragraph 9(b) entitled "Transfer or Encumbrance of the Mortgaged Property" of the Mortgage is hereby deleted. The following is hereby added to the end of said paragraph 9(b):

(iv) any transfer to an Illinois Land Trust or any other trust established for the purpose of holding title to the Mortgaged Property; or any transfer of all or any portion of the beneficial interest in any trust holding title to the Mortgaged Property.

63. The following is hereby added to the end of paragraph 33 entitled "Hazardous Materials" of the Mortgage:

Mortgagor further represents and warrants that none of the Mortgaged Property falls within the definition of "real property" set forth in the Illinois Responsible Property Transfer Act of 1988, Ill. Rev. Stat. ch. 30, § 901 et seq., § 903(e) and no filings relating thereto are required as a consequence of the granting of this Mortgage.

64. Supplementing paragraph 28 hereof, the term "Uniform Commercial Code" shall mean the Uniform Commercial Code of the State of Illinois.

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

SERVICE MERCHANDISE COMPANY,
INC., a Tennessee corporation

Attest: C. E. Bain

C. E. Bain,
Assistant Secretary

By: S. P. Braud
Name: S. P. Braud,
Title: Vice President

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ACKNOWLEDGEMENT - IL

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

I, Terry Z. Lucas, a Notary Public in and for the State and County aforesaid, do hereby certify that S.P. Braud, personally known to me to be the Vice President of SERVICE MERCHANDISE COMPANY, INC., a corporation organized under the laws of the State of Tennessee, and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Vice President he signed and delivered the said instrument pursuant to authority given by the Board of Directors of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this 27th day of June, 1990.

Terry Z. Lucas

TERRY Z. LUCAS
NOTARY PUBLIC, State of New York
No. 4964279
Qualified in New York County
Commission Expires March 26, 1992

Clerk's Office

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Property of Cook County Clerk's Office

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ACKNOWLEDGEMENT - IL

STATE OF NEW YORK)
 : SS.:
COUNTY OF NEW YORK)

I, Lissette Suarez, a Notary Public in and for the State and County aforesaid, do hereby certify that C. E. Bain, personally known to me to be the Assistant Secretary of SERVICE MERCHANDISE COMPANY, INC., a corporation organized under the laws of the State of Tennessee, and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Vice President he signed and delivered the said instrument pursuant to authority given by the Board of Directors of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal this 27th day of June, 1990.

Lissette Suarez

LISSETTE SUAREZ
Notary Public, State of New York
No. 24-4944248
Qualified in Kings County
Commission Expires November 14, 1990

PROPERTY OF COOK COUNTY CLERK'S OFFICE

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SCHEDULE OF EXHIBITS

Exhibits A-1 through A-14	Descriptions of Fee Parcels
Exhibits A-15 through A-19	Descriptions of Leasehold Parcels
Exhibit B	Indenture
Exhibit C	Description of Ground Leases
Exhibit D	Matters with Respect to Ground Leases
Exhibit E	Hazardous Materials and Asbestos Reports

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FEE PARCELS

EXHIBITS A-1 - A-14

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SMC # 024
Huntsville, Alabama

EXHIBIT A-1

All that part of the Southeast quarter of Section 2, Township 4 South, Range 1 West in the City of Huntsville, Madison County, Alabama, particularly described as beginning South 00 degrees 17 minutes West 30.16 feet, South 88 degrees 45 minutes West 727.36 feet, South 18 degrees 31 minutes West 685.74 feet, South 00 degrees 23 minutes West 189.55 feet, North 78 degrees 08 minutes 30 seconds East 642.0 feet and South 11 degrees 52 minutes East 196.9 feet from the center of the East boundary of said Section 2; thence from the place of true beginning South 11 degrees 52 minutes East along the West margin of Memorial Parkway 500.0 feet; thence South 78 degrees 05 minutes 52 seconds West 609.41 feet to a point on the East margin of a 20.0 foot sanitary sewer easement as of record in Deed Book 265, page 518, Probate Records of said County; thence North 10 degrees 41 minutes 18 seconds West along the said East margin of the 20.0 foot sanitary sewer easement 500.08 feet; thence North 78 degrees 05 minutes 41 seconds East 599.13 feet to the place of beginning and containing 6.94 acres.

Madison County Clerk's Office

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SMC # 280
Leesburg, Florida

EXHIBIT A-2

PARCEL A:

Commencing at the intersection of the East line of lot 1 in Silver Lake Addition "A", according to the plat thereof as recorded in Plat Book 5, page 41, Public Records of Lake County, Florida, with the South line of Section 16, Township 19 South, Range 25 East, Lake County, Florida, run South 89°48'00" West, along said Section line 466.52 feet; thence North 13°44'00" East, 316.70 feet, more or less, to the Southerly line of the right of way of U.S. Highway 441; run thence North 68°19'00" West, along said Southerly right of way line 200.00 feet to the point of beginning of this description. From said point of beginning, continue North 68°19'00" West, along said Southerly right of way line 350.00 feet; thence South 21°41'00" West, 350.70 feet; thence South 68°19'00" East, 205.46 feet; thence South 0°12'00" East, 110.69 feet, more or less, to the South line of aforesaid Section 16; thence run North 89°48'00" East, along said South line 170 feet; thence North 13°44'00" East, 397.84 feet, more or less, to the point of beginning.

PARCEL B:

Commencing at the intersection of the East line of lot 1 in Silver Lake Addition "A", according to the plat thereof as recorded in Plat Book 5, page 41, Public Records of Lake County, Florida, with the South line of Section 16, Township 19 South, Range 25 East, Lake County, Florida, run South 89°48'00" West, along said Section line a distance of 466.52 feet; thence North 13°44'00" East, a distance of 316.70 feet, more or less, to the Southerly line of the right of way of U.S. Highway 441; thence run North 68°19'00" West, along said Southerly right of way line 550.00 feet to a concrete monument and the point of beginning of this description; from said point of beginning, run South 21°41'00" West, 350.70 feet to a concrete monument; thence North 60°04'23" West, 80.84 feet to a concrete monument; thence North 21°41'00" East, 339.11 feet to a concrete monument on the Southerly line of the right of way of said Highway 441; thence South 68°19'00" East, along said right of way line 80.0 feet to the point of beginning.

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PARCEL C:

Together with the easements granted by that certain Dedication Agreement dated May 29, 1984 and recorded in Official Record Book 809, page 919, Public Records of Lake County, Florida.

Property of Cook County Clerk's Office

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SMC # 281
Gainesville, Florida

EXHIBIT A-3

A tract of land situated in the SW 1/4 of Section 33, Township 9 South, Range 19 East, Alachua County, Florida, said tract of land being more particularly described as follows: COMMENCE at the SE corner of the SW 1/4 of Section 33, Township 9 South, Range 19 East, and run North 89 degrees, 23 minutes, 10 seconds West, along the South line of said Section 33, a distance of 731.01 feet; thence run North 00 degrees, 14 minutes, 09 seconds East, 397.65 feet; thence run North 89 degrees, 45 minutes, 51 seconds West, 60.00 feet; thence run North 00 degrees, 14 minutes, 09 seconds East, 88.57 feet; thence run North 89 degrees, 45 minutes, 51 seconds West, 20.00 feet; thence run North 00 degrees, 14 minutes, 09 seconds East, along the West Right-of Way line of NW 69th Terrace, 616.27 feet; thence run North 89 degrees, 49 minutes, 31 seconds West, 572.80 feet to the Point of Beginning; thence continue North 89 degrees, 49 minutes, 31 seconds West, 750.00 feet to the Northerly Right-of-Way line of Interstate Highway No. 75; thence run South 48 degrees, 43 minutes, 34 seconds East, along said Northerly Right-of-Way line, 206.81 feet; thence run South 56 degrees, 29 minutes, 30 seconds East, along said Northerly Right-of-Way line, 711.15 feet; thence leave said Northerly Right-of-Way line and run North 00 degrees, 10 minutes, 29 seconds East, 526.74 feet to the Point of Beginning.

Together with all right, title, and interest of Service Merchandise Company, Inc. in and to the easements granted by that certain Signage Easement dated January 26, 1988, filed February 4, 1988, and recorded in Official Records Book 1688, page 2270 of the Public Records of Alachua County, Florida.

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SMC # 021
Doraville, Georgia

EXHIBIT A-4

All that tract or parcel of land lying and being in Land Lot 320 of the 18th District of DeKalb County, Georgia, being more particularly described as follows:

BEGINNING at an iron pin set on the southeasterly right of way of Buford Highway (100 foot right of way), said iron pin being located 213.00 feet southwesterly from the point of intersection of the southeasterly right of way of Buford Highway with the southwesterly right of way of McElroy Drive; thence south $46^{\circ} 15' 42''$ east 359.09 feet to an iron pin set on the southwesterly right of way of McElroy Road (29.51 feet from centerline); thence south $13^{\circ} 40' 02''$ east along said right of way 145.25 feet to an iron pin set; thence south $87^{\circ} 51' 55''$ west 171.06 feet to an iron pin set; thence south $21^{\circ} 01' 02''$ west 328.19 feet to an angle iron found; thence north $45^{\circ} 45' 06''$ west 489.90 feet to an iron pin set on the southeasterly right of way of Buford Highway; thence north $43^{\circ} 49' 30''$ east along said right of way 499.50 feet to an iron pin set marking the TRUE POINT OF BEGINNING.

The foregoing property is described in accordance with a survey prepared for Sovran Bank\Central South, Lawyers Title Insurance Corporation and Service Merchandise by Hill-Fister Engineers, Inc. dated June 14, 1989, last revised March 13, 1990, bearing the certification James R. Fister, Georgia Registered Land Surveyor No. 1821.

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SMC # 265
Lansing, Illinois

EXHIBIT A-5

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being:

Parcel 1:

Lot 8 (except that part described as follows:

Beginning at the Northeast corner of Lot 10, thence North 0 degrees 15 minutes 50 seconds East on the East line of Lot 10 extended North a distance of 6.5 feet; thence North 89 degrees 44 minutes 10 seconds West a distance of 15.0 feet to the West line of Lot 8; thence South 0 degrees 15 minutes 50 seconds West a distance of 6.5 feet to the North line of Lot 10; thence South 89 degrees 44 minutes 10 seconds East a distance of 15.0 feet to the point of beginning)

ALSO

The South 9.5 feet of the East 19.25 feet of the West 33.0 feet of Lot 9; also the South 1.00 foot of the East 241 feet of Lot 9;

ALSO

That part of Outlot A described as follows.

Commencing at the Most Southwesterly corner of Lot 9, thence South 89 degrees 44 minutes 10 seconds East in the South line of Lot 9 a distance of 14.75 feet to the point of beginning, thence continuing South 89 degrees 44 minutes 10 seconds East a distance of 3.25 feet to the West line of Lot 8; thence South 0 degrees 15 minutes 50 seconds West a distance of 168.5 feet; thence North 89 degrees 44 minutes 10 seconds West a distance of 3.25 feet; thence North 0 degrees 15 minutes 50 seconds East a distance of 168.5 feet to the point of beginning;

all in The Landings Planned Unit Development, being a subdivision of part of the Southwest Quarter of Section 19, Township 36 North, Range 15 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

Perpetual, non-exclusive easements for the purpose of parking, ingress and egress, and common utility facilities as set forth in Declaration of Reciprocal Easements and Operating Covenants recorded August 16, 1985 as Document Number 85149087 and as created by Deed from Amalgamated Trust & Savings Bank, as Trustee

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under Trust Agreement dated June 21, 1984 and known as Trust No. 4951, to Service Merchandise Company, Inc., recorded October 15, 1985 as Document Number 85235395 and as amended by First Amendment to said Declaration recorded December 18, 1985 as Document Number 85329731 and as further amended by Second Amendment to said Declaration recorded March 11, 1988 as Document Number 88103519, over and across "Common Area" as such is defined and limited therein.

Parcel 3:

Perpetual, non-exclusive easements for ingress and egress and utility facilities as set forth in Road and Utility Reciprocal Easement Agreement dated July 31, 1985 recorded August 16, 1985 as Document Number 86446672, over that portion of North Edge Road right of way as defined and limited therein.

Commonly known as:
16795 Torrence Avenue
Lansing, Illinois

Permanent Tax Numbers:
30-19-300-019
30-19-300-020
30-19-300-029

Volume:
225 (Affects Lot 8)
225 (Affects Lot 9)
225 (Affects Outlot A)

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