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DEPT-01 RECORDING \$65.00

CONSTRUCTION MORTGAGE: T93333 TRAN 3505 06/17/91 16129100
49276 + C *-91-291767
COOK COUNTY RECORDER

Property Location:

Village of Rosemont, Cook County, Illinois

P.I.N. 12-10-100-007; 12-10-100-014; 12-10-100-021;

12-10-100-057; 12-10-100-106; 12-10-214-021; 12-09-214-027;

12-09-200-052; 12-09-214-039; 12-09-214-040; 12-10-100-064;

12-09-200-054; 12-09-200-056; 12-09-200-053; 12-09-200-055;

12-09-200-051; 12-09-203-048; 12-10-100-107

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THIS CONSTRUCTION MORTGAGE ("Mortgage") is made as of the 6th day of June, 1991, by and between BALMORAL RIVER PROPERTIES, an Illinois general partnership ("Beneficiary"), LA SALLE NATIONAL TRUST, N.A., not personally, but as Trustee under Trust Agreement ("Land Trust") dated December 23, 1986, and known as Trust No. 111928 ("Trustee," and, collectively with Beneficiary, "Mortgagor"), and BARCLAYS BANK PLC, a banking corporation organized under the laws of England, acting through its New York Branch, a branch of Barclays Bank PLC licensed to do business in the State of New York ("Mortgagee").

RECITALS

A. Beneficiary, the sole beneficiary and holder of the power of direction under the Land Trust, Trustee and Mortgagee have entered into a construction loan agreement of even date herewith (as amended, modified, restated or supplemented from time to time, "Loan Agreement"), pursuant to which Mortgagee agreed to make a loan to Mortgagor in an aggregate principal amount of up to NINETEEN MILLION EIGHT HUNDRED THOUSAND U.S. DOLLARS (U.S. \$19,800,000) ("Loan"), subject the terms and conditions and for the purposes set forth in the Loan Agreement. All capitalized terms used herein and not expressly defined herein shall have the meanings set forth in the Loan Agreement.

B. As evidence of the Loan, Mortgagor has executed and delivered to Mortgagee a construction mortgage note (as amended, modified, restated or supplemented from time to time, "Note"), payable to the order of Mortgagee in the principal amount of NINETEEN MILLION EIGHT HUNDRED THOUSAND U.S. DOLLARS (U.S. \$19,800,000), under the terms of which, the principal balance thereof, together with all interest accrued thereunder and other sums evidenced thereby, if not sooner paid is due and payable in full on December 7, 1992, unless extended in accordance with the terms of the Loan Agreement.

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C. All principal and interest due under the Note are payable at such place as Mortgagee may designate from time to time in writing by notice to Mortgagor and in absence of such designation at Mortgagee's office at 75 Wall Street, New York, New York 10265.

AGREEMENT

NOW, THEREFORE, (x) for and in consideration of: (i) the making of the Loan by Mortgagee, (ii) other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and (iii) the recitals set forth above (such recitals being incorporated herein and made a part hereof by this reference), and (y) to secure the indebtedness evidenced by the Note, the RPAC West Note and all other debt presently or in the future owed by Mortgagor to Mortgagee under the Loan Agreement, the RPAC West Loan Agreement and the Loan Documents (defined below), and also to secure the performance by Mortgagor and Beneficiary of all of their respective other covenants, agreements and obligations under this Mortgage, the Loan Agreement, the RPAC West Loan Agreement, the Note, the RPAC West Note or any other document or instrument evidencing, securing or relating to the indebtedness evidenced by the Note and the RPAC West Note (collectively, "Loan Documents"), Mortgagor does, by these presents, MORTGAGE, GRANT, REMISE, RELEASE, ALIEN AND CONVEY unto Mortgagee, its successors and assigns, its fee simple interest in the real estate ("Real Estate") described in Exhibit A attached hereto and made a part hereof and all of its estate, right, title and interest therein, situate, lying and being in the Village of Rosemont, County of Cook and the State of Illinois which, with the property hereinafter described, is hereinafter referred to as the "Premises."

TOGETHER with all of Mortgagor's right, title and interest in and to: (a) all improvements, tenements, easements, fixtures, and appurtenances thereto pertaining or belonging whether now held or hereafter acquired, including, without limitation, all easements, licenses, privileges and appurtenances created pursuant to any reciprocal easement agreement or declaration of covenants, conditions and restrictions now existing or hereafter created (b) all leases, lettings, agreements for use and occupancy, concessions and licenses of or with respect to any or all of the Real Estate, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), (c) all of Mortgagor's interest, if any, from time to time, in all land lying in the bed of any

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street, road, avenue, alley or walkway opened or proposed, vacated or adjoining the Real Estate, (d) all fixtures, apparatus, equipment or articles now or hereafter in or on the Real Estate or improvements thereon, used to supply heat, gas, air cooling, air conditioning, water, light, power, sanitation, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, all other fixtures, apparatus, equipment, furniture, furnishings, and articles used or useful in connection with the operation of the Premises and all related facilities now or hereafter located upon said Premises, (e) all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, curtain fixtures, partitions, and attached floor coverings, now or hereafter therein or thereon, whether now held or hereafter acquired, and owned by Mortgagor and any replacements thereof, accessions thereto and all proceeds thereof, if any; (f) all advertising material, guaranties, warranties, plans and specifications, building permits, other permits, licenses, soil tests, environmental reports, appraisals and any other documents, materials or personal property of any kind now or hereafter existing in connection with the use of the Premises and in and to any and all contracts relating to the construction of the improvements or the operation and maintenance of the Premises; and (g) all proceeds and products of the foregoing (a) through (f) -- it being understood that the enumeration of any specific articles of property shall in no way result in or be held to exclude any items of property not specifically mentioned (the items in subsections (d) and (e) above, being sometimes collectively called the "Personal Property").

TOGETHER with all estates, interests, rights, titles, claims or demands which Mortgagor now has or may hereinafter acquire in the Premises, including but not limited to any and all awards or payments, including interest thereon, and the right to receive the same, which may be made to or for the account of Mortgagor with respect to the Premises as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, (c) any loss of or damage to any building or other improvement on the Premises, (d) any other injury to or decrease in the value of the Premises, or (e) any refund due on account of the payment of real estate taxes, assessments or other charges levied against or imposed upon the Premises -- Mortgagor hereby agreeing to execute and deliver, from time to time, such further instruments as may be requested by Mortgagee to confirm such assignment to Mortgagee of any such award or payment.

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All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not, and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate mortgaged hereby and to be appropriated to the use of the real estate, and shall, for the purposes of this Mortgage, be deemed to be Real Estate and conveyed and mortgaged hereby. As to any of the property aforesaid which (notwithstanding the aforesaid declaration and agreement) does not so form a part and parcel of said Real Estate, this Mortgage is hereby deemed to be, as well, a security agreement under the Illinois Uniform Commercial Code in effect or as amended from time to time or under similar or replacement statutes hereafter enacted (collectively, the "UCC") for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as said term is defined in the UCC), securing said indebtedness and obligations described in this Mortgage, and Mortgagee shall have in addition to its rights and remedies hereunder all rights and remedies of a Secured Party under the UCC. As to any such personal property which the UCC classifies as fixtures, this instrument shall constitute a fixture filing and financing statement under the UCC.

Trustee represents and covenants and Beneficiary represents and warrants (i) that Trustee is lawfully seized of the Premises, (ii) that the Premises are unencumbered, except for those matters listed on Exhibit B hereto ("Permitted Encumbrances"), and (iii) that Mortgagor has good right, full power and lawful authority to convey and mortgage the same; and further, Mortgagor shall forever defend the Premises and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

TO HAVE AND TO HOLD the Premises unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

Obligations Secured

1. This Mortgage is to secure:

(a) all indebtedness evidenced by the Note, including any future advances, the aggregate principal amount of which shall not exceed NINETEEN MILLION EIGHT HUNDRED THOUSAND U.S. DOLLARS (\$19,800,000), plus all interest accruing thereon, and fees due and payable in connection therewith, and all other amounts due hereunder and otherwise secured hereby under law;

(b) all indebtedness evidenced by the RPAC West Note, including any future advances, the aggregate principal amount of which shall not exceed FOUR MILLION TWO HUNDRED THOUSAND U.S. DOLLARS (U.S. \$4,200,000), plus all interest accruing thereon, all fees due and payable in connection therewith and all other amounts due hereunder and otherwise secured thereby under law;

(c) the performance by Mortgagor and Beneficiary of all other covenants, agreements and obligations on the part of either or both contained in the Loan Agreement, the RPAC West Loan Agreement or the other Loan Documents;

(d) all other sums advanced pursuant to the provisions of the Loan Agreement, the R-PAC West Loan Agreement, the RPAC West Security Documents and any other Loan Documents (including, if entered into with Mortgagee, any interest rate swap, cap, collar or similar interest hedge agreement); and

(e) any renewals, extensions, amendments or modifications hereto or of the Note, the Loan Agreement, the RPAC West Loan Agreement, the RPAC West Security Documents or the other Loan Documents.

The foregoing items set forth in subsections (a) through (e) of Section 1 of this Mortgage are hereinafter collectively called the "Obligations."

Maintenance, Repair and Restoration of Improvements, Payment of Liens, Etc.

2. (a) Mortgagor shall (i) promptly repair, restore or rebuild any buildings or improvements now or hereafter located on the Premises which may become damaged or be destroyed; (ii) keep the Premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien of any kind or nature whatsoever except Permitted Encumbrances (collectively, "Liens"); (iii) pay when due any indebtedness which may be secured by a mortgage on the Premises, whether senior or junior to this Mortgage and whether permitted by the terms hereof or otherwise, and comply with all requirements of all loan documents evidencing or securing such indebtedness, and upon request, exhibit satisfactory evidence of the discharge of any such mortgage to Mortgagee; (iv) complete within the time required under the Loan Agreement any building or buildings or any improvements at any time in the process of erection upon the Premises; (v) comply, in all material respects, with all requirements of law, municipal ordinances, or restrictions of record with respect to the

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Premises and the use thereof; (vi) make no material alterations in the Premises, except in accordance with the Loan Agreement or as required by law or municipal ordinance; (vii) suffer or permit no change in the general nature of the occupancy or use of the Premises, except as contemplated by the Loan Agreement; (viii) initiate or acquiesce in no zoning variation or reclassification without Mortgagee's prior written consent; and (ix) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof, and pay, perform, satisfy and discharge each of the Obligations when required to do so under the terms of this Mortgage, the Note, and the other Loan Documents.

(b) Notwithstanding anything in Section 2(a)(ii) of this Mortgage to the contrary, Mortgagor may, in good faith and with due diligence, contest the validity or amount of any Lien, and defer payment and discharge thereof during the pendency of such contest; provided, however, that: (i) such contest shall have the effect of preventing the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy such lien; (ii) within ten (10) days after Mortgagor has first learned of the assertion of such lien, Mortgagor shall have notified Mortgagee in writing of Mortgagor's intention to contest such lien; and (iii) subject to the last sentence of this section 2(b), Mortgagor shall have deposited with Mortgagee at such place as Mortgagee may from time to time in writing appoint, a sum of money which shall be sufficient in the judgment of Mortgagee to pay in full such lien and all interest which might become due thereon, and Mortgagor shall keep on deposit an amount so sufficient at all times, increasing such amount to cover additional interest whenever, in the judgment of Mortgagee, such increase is advisable. If Mortgagor shall: (x) fail to prosecute such contest with reasonable diligence, or (y) fail to maintain sufficient funds on deposit as hereinabove provided, then Mortgagee may, at its option and after notice to Mortgagor, apply the money so deposited in payment of or on account of such lien, or that part thereof then unpaid, together with all interest thereon. If the amount of money so deposited shall be insufficient for the payment in full of such lien, together with all interest thereon, Mortgagor shall forthwith, upon demand, deposit with Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payments in full. Mortgagee shall, upon the final disposition of such contest, apply the money so deposited in full payment of such lien or that part thereof then unpaid, together with all interest thereon (provided no default has occurred hereunder) when so requested in writing by Mortgagor and when furnished by Mortgagor with sufficient funds to make such payment in full and with evidence satisfactory to Mortgagee of the amount of

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payment to be made. In lieu of the cash deposit described above, Mortgagor may deliver to Mortgagee either an amendment to or endorsement of the Title Policy or a payment bond from a surety satisfactory to Mortgagee; provided that such amendment, endorsement or bond shall insure over, or indemnify Mortgagee against, the lien which Mortgagor is contesting as aforesaid, and shall otherwise be in form and substance satisfactory to Mortgagee.

Payment of Taxes

3. Mortgagor shall pay or cause to be paid, before the due date thereof, all general real estate taxes, special taxes, special assessments, water charges, sewer service charges, and other charges against the Premises, and shall, upon written request, promptly furnish to Mortgagee duplicate receipts evidencing such payment. If Mortgagor wishes to contest any such taxes or assessments, Mortgagor may do so only by paying such taxes or assessments in full under protest in the manner provided under applicable law.

Insurance

4. Mortgagor shall at all times maintain, or cause to be maintained, insurance policies issued by companies approved by Mortgagee which have an A.M. Best's rating of at least A, Class XII covering loss by perils, hazards, liabilities and other risks and casualties and in such amounts as required by Mortgagee. Policies (or certificates thereof) in form satisfactory to Mortgagee, endorsed to protect Mortgagee's interest with the standard mortgagee clause or loss payable clause in favor of Mortgagee shall be delivered to Mortgagee on or prior to the date hereof.

Without limiting the generality of the foregoing, Mortgagor shall maintain or cause to be maintained (a) all-risks form of property insurance covering real and personal property, (b) business interruption, rent or loss of rental income, (c) comprehensive general liability insurance, and excess umbrella liability insurance, (d) worker's compensation and employer's liability insurance, (e) contractual liability insurance, (f) boiler and machinery insurance including boiler and machinery extra expense and business interruption coverage, (g) flood insurance if the Premises are located in a designated flood plain, and (h) during any construction period, all risks form of builder's risk, contractual liability and workman's compensation insurance.

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All policies shall include a provision requiring that the coverage evidenced thereby shall not be terminated or modified without thirty (30) days prior written notice to Mortgagee. Mortgagor shall deliver copies of all policies and duplicate original certificates evidencing such insurance, including copies of additional and renewal policies and duplicate original certificates, together with evidence of full payment of premiums thereon, to Mortgagee, and, in the case of insurance about to expire, shall deliver duplicate original certificates and copies of each renewal policy, together with evidence of full payment of premiums thereon, not less than thirty (30) days prior to their respective dates of expiration. Mortgagor will not permit any condition to exist at the Premises which would wholly or partially invalidate any insurance thereon. Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a mortgagee clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of such insurance.

Adjustment of Losses with Insurer and Application of Proceeds of Insurance

5. (a) In the event of any loss or damage to any portion of the Premises due to fire or other casualty, Mortgagor shall have the right, to settle insurance claims or agree with the insurance company or companies on the amount to be paid; provided, however, that Mortgagee shall be permitted to participate in any such settlement and any such settlement shall be subject to Mortgagee's approval, which approval shall not be unreasonably withheld; further, provided, that if a settlement is not reached within a reasonable period of time (as determined by Mortgagee), then Mortgagee shall have the right in its sole discretion to settle such claim. In either case, Mortgagee shall have the right (but not the obligation) to collect, retain and apply to the Loan all insurance proceeds (after deduction of all expenses of collection and settlement, including attorneys' and adjusters' fees and expenses), and if such proceeds are insufficient to pay such amount in full, to declare the balance remaining unpaid on the Note to be due and payable forthwith and to avail itself of any of the remedies afforded thereby as in the case of any Mortgage Default. Any proceeds remaining after application to the Loan shall be paid by Mortgagee to Mortgagor or any other party which may be entitled thereto.

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(b) Notwithstanding anything to the contrary set forth in Section 5(a) above, after deduction of all expenses of collection and settlement, including, without limitation, attorneys' and adjusters' fees and expenses, Mortgagee shall release the same in installments from time to time to Mortgagor provided that:

(i) Mortgagor shall expeditiously repair and restore all damage to the Premises resulting from such fire or other casualty, and expeditiously complete construction if such fire or other casualty shall have occurred prior to completion, so that the Premises will be completed in accordance with the Plans and Specifications;

(ii) if the proceeds of insurance and the undischursed available Loan proceeds for construction, in Mortgagee's sole judgment, are insufficient to (x) maintain the Loan in balance in accordance with the provisions of Section 9.1 of the Loan Agreement (if the damage occurs on the Premises during Construction) or (y) complete the repair and restoration of the buildings, structures and other improvements on the Premises (if the damage occurs thereto after Construction is completed), then Mortgagor shall have deposited with Mortgagee the amount of such deficiency in cash;

(iii) no default shall have occurred hereunder and be continuing; and

(iv) in Mortgagee's sole judgment, restoration can be completed prior to the Maturity Date.

Any request by Mortgagor for a disbursement by Mortgagee of insurance proceeds and funds deposited by Mortgagor pursuant hereto shall be treated by Mortgagee as if such request were for an advance of the Loan under the Loan Agreement, and the disbursement thereof shall be conditioned upon Mortgagor's compliance with and satisfaction of the same conditions precedent as would be applicable under the Loan Agreement for an advance of the Loan. If any proceeds are applied to the repair or restoration of the Premises, mortgagor agrees to promptly and diligently repair and restore the Premises. All insurance proceeds and additional funds held by the Mortgagee shall first be fully disbursed before disbursement of any further proceeds of the Loan. Any surplus which may remain out of such proceeds after payment of such cost of repair and restoration shall, at the option of Mortgagee, be applied on account of the Loan or be paid to any other party entitled thereto.

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(d) In case of loss after a foreclosure by judicial proceeding has been instituted, the proceeds of any such insurance policy or policies, if not applied in rebuilding or restoring the buildings or improvements as set forth above, shall be applied in payment or reduction of the Obligations or in payment or reduction of the amount due in accordance with any order of foreclosure that may be entered in any such proceeding, and the balance, if any, shall be paid to the owner of the equity of redemption if it shall then be entitled to the same or as the court may direct. In case of the foreclosure of this Mortgage by judicial proceeding, the court in its order and upon notice to the insurer may provide that the mortgagee's clause attached to each of said insurance policies may be cancelled and that the purchaser at the foreclosure sale held in accordance with such judicial proceeding may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said purchaser; and any such foreclosure order may further provide that in case of one or more redemptions under said order, pursuant to the statute in such case made and provided, then, and in every such case, each successive redemtor may cause the preceding loss clause attached to each insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redemtor. In the event of such foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

Stamp Tax

6. If, by the laws of the United States of America, or of any state having jurisdiction over Mortgagor, any stamp tax or similar tax is due or becomes due in respect of any of the Obligations or the recording of this Mortgage, Mortgagor covenants and agrees to pay such tax in the manner required by any such law. Mortgagor further covenants to hold harmless and agrees to indemnify Mortgagee, its successors or assigns, against any liability incurred by reason of the imposition of any stamp tax or similar tax on the issuance of the Obligations or the recording of this Mortgage.

Prepayment Privilege

7. Mortgagor shall only have the privilege of making prepayments on the principal of the Obligations (in addition to the required payments) in accordance with the terms and conditions set forth in the Loan Agreement, as they may be applicable to the respective Obligations in question.

Effect of Extensions of Time

8. If the payment of any of the Obligations or any part thereof is extended or varied or if any part of the security is released, all persons or entities now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

Effect of Changes in Laws Regarding Taxation

9. In the event of the enactment after this date of any law of the state in which the Premises are located deducting from the value of land for the purpose of taxation any lien thereon, and imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the mortgagee's interest in the property, or the manner of collection of taxes so as to affect this Mortgage or the indebtedness secured hereby, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor in the event Mortgagor fails to pay such taxes after demand by Mortgagee and Mortgagee thereafter pays such taxes; provided, however, that if in the opinion of counsel for Mortgagee (a) it shall be unlawful to require Mortgagor to make such payment, or (b) the making of such payment shall result in the imposition of interest beyond the maximum amount permitted by law, then, and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the Obligations to be and become due and payable sixty (60) days from the giving of such notice.

Mortgagee's Performance of Defaulted Acts; Subrogation

10. In case of default on the part of Mortgagor under this Mortgage and the failure of Mortgagor to cure such default within the applicable cure period, if any, Mortgagee shall have the right, but not the obligation, to make any payment or perform any act herein or in or with respect to any of the Obligations required of Mortgagor, in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien on title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or contest

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any tax or assessment. Anything to the contrary notwithstanding, Mortgagee may immediately take action to cure any default in the payment of taxes or insurance premiums or any other defaults that create an emergency regarding the priority or validity of the lien of this Mortgage or the physical condition of the Premises without regard to the Mortgagor's cure rights, if any. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including but not limited to attorneys' fees and expenses, and any other moneys advanced by Mortgagee to protect the Premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate as hereinafter defined in Section 25 below. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor under this Mortgage. Should the proceeds of the Obligations or any part thereof, or any amount paid out or advanced hereunder by Mortgagee, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance upon the Premises or any part thereof on a parity with or prior or superior to the lien hereof, then as additional security hereunder, Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

Mortgagee's Reliance on Tax Bills, Etc.

11. Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any Lien, may do so without inquiry as to the validity or amount of such Lien or any claim for Lien which may be asserted.

Default

12. The following shall be a default ("Mortgage Default") hereunder: if (a) any payment of principal or interest due under or with respect to any of the Obligations, or any other payment due in accordance with the terms of this Mortgage, is not paid within five (5) days after the same is

due and payable, or (b) any other of the covenants, agreements or conditions, hereinbefore or hereinafter contained, required to be kept or performed or observed by Mortgagor in this Mortgage, are not observed or performed, such nonperformance or non-observance does not constitute a Mortgage Default under any other provision of this Mortgage, and such nonperformance or non-observance continues for thirty (30) days after written notice to Mortgagor from Mortgagee; provided, however, that if such non-monetary default cannot reasonably be cured within said 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 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 default shall continue for a period in excess of sixty (60) additional days; (c) any "Event of Default" shall have occurred under the Loan Agreement, the RPAC West Loan Agreement, the RPAC West Note or the RPAC West Security Documents (collectively, "Loan Agreement Default"); or (d) any default or event of default not otherwise described in this Section 12, shall have occurred under or with respect to any of the Obligations, or under or with respect to any of the Loan Documents, and such default shall not have been cured within any applicable notice, cure or grace period provided therefor. All cure periods in this Section 12 shall run concurrently with any period allowed with respect to any default under the Loan Agreement or any of the other Loan Documents.

Foreclosure; Expense of Litigation

13. When either (a) the indebtedness secured hereby shall not be paid in full by maturity, or (b) a Mortgage Default shall have occurred (whether listed in Section 12 hereof or described elsewhere in this Mortgage), Mortgagee shall have the right to accelerate the maturity of all of the Obligations and to foreclose the lien hereof by judicial action. In any suit to foreclose the lien hereof or in any other action to enforce any other remedy of Mortgagee under this Mortgage or with respect to any of the other Obligations, there shall be allowed and included as additional indebtedness in the decree for sale, judgment of foreclosure or other judgment or decree all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, paralegals' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with

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respect to title and value as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this Section mentioned and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including but not limited to the fees and expenses of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Obligations or the Premises, including bankruptcy or probate proceedings, or in the preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate, and shall be secured by this Mortgage.

Upon any sale made under or by virtue of this Section or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Mortgagee may bid for and acquire the Premises or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness of Mortgagor secured by this Mortgage the sale price, after deducting therefrom the expenses of the sale and the cost of the action and any other sums which Mortgagor is required to pay or that Mortgagee is authorized to deduct under this Mortgage.

Mortgagor understands and agrees that in the event of a Mortgage Default, Mortgagee, to the extent this Mortgage constitutes a security agreement under the UCC, may exercise any and all rights and remedies of a Secured Party under the UCC including but not limited to the taking possession of any personal property covered by this Mortgage and disposing of the same by sale or otherwise; provided that at least fifteen (15) days prior notice of such disposition must be given to the Mortgagor, all as provided for by the UCC, it being agreed that such fifteen (15) days notice shall constitute fair and reasonable notice to Mortgagor of such disposition.

Application of Proceeds of Foreclosure Sale

14. The proceeds of any foreclosure sale of the Premises (or the sale of property under the last unnumbered paragraph of Section 13 hereof) shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings (or sale, as the case may be), including all such items as are mentioned in the preceding Section hereof; second, to the repayment of the Obligations and all other items which

under the terms hereof constitute secured indebtedness additional to that constituting the Obligations, with interest thereon as herein provided; and third, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

Appointment of Receiver

15. Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale, without notice if permitted by law, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Premises, and Mortgagee hereunder may be appointed as such receiver. Such receiver shall have power: (a) to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits; (b) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renewal terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from any judgment or decree of foreclosure, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and (c) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part to: (x) the Obligations or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to any foreclosure sale; and (y) the deficiency in case of a sale and deficiency.

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Assignment of Leases and Rents

16. To further secure the Obligations, Mortgagor hereby sells, assigns and transfers unto Mortgagee all leases, lettings and agreements for use and occupancy, concessions and licenses for or with respect to the Premises and all the rents, issues and profits now due and which may hereafter become due (whether before or after foreclosure or during the period of redemption) under or by virtue of, and to the extent payable pursuant to, any lease, whether written or verbal, or any letting of, or of any agreement for, the use or occupancy of the Premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by Mortgagee under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such leases, lettings and agreements and all the avails thereunder to Mortgagee. Mortgagor hereby irrevocably appoints Mortgagee (effective upon a Mortgage Default) its true and lawful attorney in its name and stead (with or without taking possession of the Premises as provided in Section 17 hereof) to rent, lease or let all or any portion of the Premises to any party or parties at such rental and upon such terms as Mortgagee shall, in its discretion, determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due or that may hereafter become due under each and every of the leases, lettings and agreements, written or verbal, or other tenancy existing, or which may hereafter exist on the Premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Mortgagee would have upon taking possession pursuant to the provisions of Section 17 hereof.

Mortgagor agrees that no rent will hereafter be paid by any person in possession of any portion of the Premises for more than one month in advance, and Mortgagor further agrees that the payment of the rents to accrue for any portion of the Premises will not be waived, released, reduced, discounted or otherwise discharged or compromised by Mortgagor, without Mortgagee's prior written consent. Mortgagor agrees that hereafter it will not assign any of the rents or profits of the Premises, except to a purchaser or grantee of the Premises permitted under the provisions of this Mortgage.

Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession of the Premises in the absence of the taking of actual possession of the Premises by Mortgagee pursuant to Section 17 hereof. In

the exercise of the powers herein granted Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor.

Mortgagor further agrees to assign and transfer to Mortgagee all future leases upon all or any part of the Premises and to execute and deliver, at the request of Mortgagee, all such further assurances and assignments in the Premises as Mortgagee shall from time to time require.

Although it is the intention of the parties that the assignment contained in this Section 16 shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Mortgagee shall not exercise any of the rights or powers conferred upon it by this Section until a Mortgage Default occurs and Mortgagor shall retain such rights and powers until such time. The rights of Mortgagee under this Section 16 shall continue and remain in full force and effect both before and after commencement of any action or proceeding to foreclose this Mortgage, after the foreclosure sale in connection with the foreclosure of this Mortgage, and until expiration of the period of redemption from any such foreclosure sale, whether or not any deficiency from the unpaid balance of the indebtedness secured hereby exists after such foreclosure sale.

Mortgagor covenants and agrees that if Mortgagor, as lessor therein, shall fail to perform and fulfill any material term, covenant, condition or provision in any lease or leases entered into by Mortgagor or to which the Premises is subject, on its part to be performed or fulfilled, at the times and in the manner in such lease or leases provided, or if Mortgagor shall suffer or permit to occur any material breach or default under the provisions of any such lease or leases, then, and in any such event, such material breach or default, if not cured within the cure period provided for in said lease or leases, if any, shall constitute a Mortgage Default.

Mortgagee's Right of Possession in Case of Default

17. In any case in which under the provisions of this Mortgage, Mortgagee has a right to foreclose the lien hereof, Mortgagor shall, forthwith, upon demand by Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take actual possession of, the Premises or any part thereof personally or by its agent or attorneys. In such event, Mortgagee in its discretion may, in accordance with law, enter upon and take and maintain possession of all or any part of the Premises together with all documents, books, records, papers and accruals of

Mortgagor or the then owner of the Premises relating thereto and may exclude Mortgagor its agents or servants wholly therefrom and may, as attorney in fact, as agent for Mortgagor or in its own name as Mortgagee, and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power: (a) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof, unless such lease or sublease is covered by a nondisturbance agreement signed by Mortgagee; (c) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as to it may seem judicious; (e) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (f) to receive all of such avails, rents, issues and profits; Mortgagor hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor.

After a Mortgage Default, Mortgagor shall be deemed to have constituted and appointed Mortgagee its true and lawful attorney-in-fact with full power of substitution either in the name of Mortgagee or in the name of Mortgagor, to exercise any of the powers granted to Mortgagee pursuant to this Section 17. Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or

discharge, any obligation, duty or liability under any leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage (except for any such liability, loss or damage which may be caused by the willful misconduct or gross negligence of Mortgagee) which Mortgagee may or might incur by reason of its performance of any action authorized under this Section 17 and of and from any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements of Mortgagor.

Application of Income Received by Mortgagee

16. Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by Section 16 and Section 17 hereof, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the operating expenses of the Premises, including but not limited to the cost of the management and leasing thereof, established claims for damages, if any, and premiums on insurance hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements to the Premises and of placing the Premises in such condition as which, in the judgment of Mortgagee, make it readily rentable; and

(d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

Mortgagee's Right of Inspection

19. Upon reasonable prior notice, Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

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Condemnation

20. (a) Mortgagor shall give Mortgagee immediate notice of any actual or threatened condemnation or eminent domain proceeding affecting the Premises and shall deliver copies of any and all papers or notices received in connection with such actual or threatened condemnation or eminent domain proceeding to Mortgagee. Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises (or any interest therein) taken or damaged by the power of eminent domain or by condemnation. Mortgagee shall be entitled (but shall not be obligated) to participate in the collection of such proceeds and any such proceeds shall be first applied to reimburse Mortgagee for all costs and expenses, including but not limited to attorneys' fees and expenses, incurred in connection with the collection of such proceeds. Mortgagee may retain the remainder of such award in payment or reduction of the Loan in such order as Mortgagee shall determine, whether due or not and any excess after payment in full of the Loan and all sums due hereunder, shall be returned to Mortgagor; provided, however, that Mortgagee shall hold the proceeds of such award and permit the same to be used to reimburse Mortgagor for the cost of the rebuilding or restoration of the improvements on the Premises in accordance with plans and specifications to be submitted to and approved by Mortgagee, so long as (i) if such proceeds, together with the undisbursed portion of the Loan, are not sufficient, in Mortgagee's sole judgment, to (x) maintain the Loan in balance in accordance with the provisions of Section 9.1 of the Loan Agreement (if the taking occurs during Construction) or (y) complete the rebuilding or restoration of the improvements on the Premises (if the taking occurs after Construction is completed), Borrower shall have deposited with Mortgagee the amount of such deficiency in cash; (ii) there is no Mortgage Default hereunder; (iii) in the Mortgagee's sole judgment the Premises can be operated on an economically feasible basis after such rebuilding; and (iv) in Mortgagee's sole judgment, the rebuilding or restoration can be completed prior to the Maturity Date. If the proceeds are to be used to reimburse Mortgagor for rebuilding or restoration, the proceeds of the award shall be paid out in the same manner as is provided in Section 5 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration and Mortgagor agrees to promptly and diligently rebuild and restore the Premises. If the amount of such award is insufficient, in Mortgagee's sole judgment, to cover the cost of rebuilding or restoration, Mortgagor shall pay such cost in excess of the amount of the award before it receives any reimbursement out of the award.

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Any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the Loan or be paid to any other party entitled thereto.

Release upon Payment and Discharge of Mortgagor's Obligations

21. If Mortgagor shall fully pay all principal and interest on the indebtedness secured hereby and fully comply with, satisfy and discharge all of the other terms and provisions hereof and all other Obligations to be paid, performed and complied with by Mortgagor, then Mortgagee shall execute and deliver to Mortgagor a release of this Mortgage in recordable form.

Giving of Notice

22. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (a) if hand delivered or if mailed (effective three days after mailing) by United States registered or certified mail, postage prepaid, return receipt requested, (b) if sent by overnight courier by a nationally recognized delivery service (effective one day after delivery to such courier) or (c) if sent by facsimile (effective upon confirmation of transmission), in each case addressed as follows:

If to Mortgagor:

Balmoral River Properties
c/o Hawthorn Realty Group
Room 200
10275 West Higgins Road
Rosemont, Illinois 60018
Facsimile: (708) 390-7989
Attention: Joseph S. Beale
Steven D. Bandolik
Jay D. Levine

with a copy to:

Melvin Simon & Associates, Inc.
Merchants Plaza
P.O. Box 7033
Indianapolis, Indiana 46207
Facsimile: (317) 685-7221
Attention: James M. Barkley

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If to Mortgagee:

Barclays Bank PLC
Suite 3700
200 West Madison Street
Chicago, Illinois 60606
Facsimile: (312) 558-9194
Attention: Diane M. Molinari

with a copy to:

Hopkins & Sutter
Three First National Plaza
Suite 4200
Chicago, Illinois 60602
Facsimile: (312) 558-6538
Attention: Patrick M. Hardiman

or at such other address or addresses or facsimile number as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

Waiver of Defense; Remedies Not Exclusive; Time is of the Essence

23. No action for the enforcement of the lien hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Obligations. Mortgagee shall be entitled to enforce payment and performance of any indebtedness secured hereby and to exercise all rights and powers under this Mortgage or under or with respect to any other Obligations or any laws now or hereafter in force, notwithstanding that some or all of the said indebtedness secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given hereby to Mortgagee or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time, and as often as it may be deemed expedient by Mortgagee, and Mortgagee may pursue inconsistent remedies. No waiver of

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any Mortgage Default shall be implied from any omission by the Mortgagee to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any such default other than the default specified in the express waiver and then only for the time and to the extent therein stated. No acceptance of any payment of any one or more delinquent installments which does not include interest at the Default Rate from the date of delinquency shall constitute a waiver of the right of Mortgagee at any time thereafter to demand and collect payment of interest at such Default Rate. Time is of the essence of this Mortgage and each of the covenants and provisions hereof.

WAIVER OF STATUTORY RIGHTS

24. TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW, MORTGAGOR SHALL NOT AND WILL NOT APPLY FOR OR AVAIL ITSELF OF ANY HOMESTEAD, APPRAISEMENT, VALUATION, STAY, EXTENSION OR EXEMPTION LAWS, OR ANY SO-CALLED "MORATORIUM LAWS," NOW EXISTING OR HEREAFTER ENACTED, IN ORDER TO PREVENT OR HINDER THE ENFORCEMENT OR FORECLOSURE OF THIS MORTGAGE, BUT HEREBY WAIVES THE BENEFIT OF SUCH LAWS. MORTGAGOR FOR ITSELF AND ALL WHO MAY CLAIM THROUGH OR UNDER IT WAIVES ANY AND ALL RIGHT TO HAVE THE PROPERTY AND ESTATES COMPRISING THE PREMISES MARSHALLED UPON ANY FORECLOSURE OF THE LIEN HEREOF AND AGREES THAT ANY COURT HAVING JURISDICTION TO FORECLOSE SUCH LIEN MAY ORDER THE PREMISES SOLD AS AN ENTIRETY. MORTGAGOR HEREBY WAIVES AND ANY ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR DECREE OF FORECLOSURE OF THIS MORTGAGE ON ITS BEHALF AND ON BEHALF OF EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES SUBSEQUENT TO THE DATE OF THIS MORTGAGE. THE FOREGOING WAIVER OF THE RIGHT OF REDEMPTION IS MADE PURSUANT TO ILL. REV. STAT. CH. 110, § 15-1601(B).

Default Rate

25. "Default Rate" as used herein shall mean Default Rate as defined in Section 4.3 of the Loan Agreement and in the Note.

Binding on Successors and Assigns

26. This Mortgage and all provisions hereof shall be binding upon Mortgagor and all persons claiming under or through Mortgagor and shall inure to the benefit of Mortgagee and its successors and assigns.

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Definitions of "Mortgagor," and "Mortgagee"

27. The word "Mortgagor" when used herein shall include: (a) the original Mortgagor named in the preambles hereof; (b) said original Mortgagor's successors and assigns; and (c) all owners from time to time of the Premises. The word "Mortgagee" when used herein shall include all successors and assigns of the Mortgagee identified in the preambles hereof.

Captions

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

Business Loan Recital; Statutory Exemptions

29. (a) Mortgagor acknowledges and agrees that (i) the proceeds of the Loan will be used in conformance with subparagraph (1)(1) of Section 4 of "An Act in relation to the rate of interest and other charges in connection with sales on credit and the lending of money," approved May 24, 1879, as amended (Ill. Rev. Stat. 1987 ed., ch. 17, sec. 6404(1)(1)); (ii) that the indebtedness secured hereby constitute a business loan which comes within the purview of subparagraph (1)(c) of said Section 4; and (iii) that the Loan is an exempt transaction under the Truth-in-Lending Act, 15 U.S.C. Sec. 1601 et seq.

(b) Mortgagor acknowledges and agrees that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Ill. Rev. Stat. 1987 ed. ch. 110, sec. 15-1201) or residential real estate (as defined in Ill. Rev. Stat. 1987 ed. ch. 110, sec. 15-1219).

Filing and Recording Fees

30. Mortgagor shall pay all title insurance premiums, escrow charges, filing, registration or recording fees, and all expenses incident to the execution and acknowledgment of this Mortgage and all federal, state, county and municipal taxes, and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage and the Obligations.

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Execution of Separate Security Agreement, Financing Statements,
Etc.

31. Mortgagor, upon request by Mortgagee from time to time, shall execute, acknowledge and deliver to Mortgagee, a security agreement, financing statement or other similar security instruments, in form reasonably satisfactory to Mortgagee, covering all property of any kind whatsoever which Mortgagor may hereafter acquire, which in the opinion of Mortgagee is essential to the operation of the Premises and which constitutes goods within the meaning of the UCC, and Mortgagor will further execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any financing statement, affidavit, continuation statement or certificate or other document as Mortgagee may reasonably request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of this Mortgage and such security instrument. Mortgagor further agrees to pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing and re-filing of any such document.

Partial Invalidity

32. Mortgagor and Mortgagee intend and believe that each provision in this Mortgage comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Mortgage are found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decisions, or public policy, and if such court should declare such portion, provision or provisions of this Mortgage to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Mortgagor and Mortgagee that such portion, provision or provisions shall be given force to the fullest possible extent that it or they are legal, valid and enforceable, that the remainder of this Mortgage shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Mortgagor and Mortgagee under the remainder of this Mortgage shall continue in full force and effect. All agreements herein and in the Note are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance of the Obligations, or otherwise, shall the amount paid or agreed to be paid to Mortgagee for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under

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applicable usury laws. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Note or any other agreement referred to herein, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the limit of such validity and if from any circumstance Mortgagee shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due under the Obligations and not to the payment of interest.

Loan Agreement

33. The Note and Loan Agreement and all provisions thereof are incorporated herein by express reference. All advances and indebtedness arising and accruing under the Loan Agreement from time to time shall be secured hereby to the full extent of the amount stated to be secured hereby and according to law, and the occurrence of any Loan Agreement Default (defined in Section 12 hereinabove) shall constitute a Mortgage Default under this Mortgage entitling Mortgagee to all of the rights and remedies conferred upon Mortgagee by the terms of this Mortgage. Except as otherwise specifically provided herein, in the event of any conflict or inconsistency between the terms and provisions of this Mortgage and those of the Loan Agreement or any other Loan Document, the terms and provisions of the Loan Agreement shall in each instance govern and control to the extent of such conflict or inconsistency.

Mortgagee's Lien for Service Charge and Expenses

34. At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all expenses and advances due to or incurred by Mortgagee in connection with the indebtedness to be secured hereby and which are to be reimbursed by Mortgagor under the terms of this Mortgage or the Loan Agreement; provided, however, that in no event shall the total amount of loan proceeds disbursed plus such additional amounts exceed 200% of the original principal amount of the Note.

Maintenance of Mortgagor's and Beneficiary's Interest

35. So long as any of the Obligations remain unpaid, unperformed, unsatisfied, or undischarged, the occurrence of any of the following events, either voluntarily, by operation of law or otherwise, without Mortgagee's prior written consent,

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shall constitute a Mortgage Default: (a) any sale, assignment, transfer, conveyance, mortgage or encumbrance of the Premises or any portion thereof; (b) any sale, assignment, transfer, conveyance, pledge or encumbrance, of any partnership interest in Beneficiary, or the sale or creation of any additional partnership interest in Beneficiary, or any change in the structure of Beneficiary or the modification, amendment or restatement of the partnership agreement of Beneficiary which results in (i) a statutory dissolution of Beneficiary, or (ii) the transfer of effective control of Beneficiary; (c) any dissolution, liquidation or termination of Beneficiary; (d) any sale, assignment, pledge or hypothecation of all or any portion of the beneficial interest in the Land Trust to any party other than Mortgagee; or (e) any contract to effectuate any of the foregoing shall be entered into.

Applicable Law

36. This Mortgage shall be construed, interpreted and governed by the internal laws of the State of Illinois (without giving effect to Illinois choice of law principles).

No Offsets

37. No right of offset or claim that Mortgagor now has or may have in the future against Mortgagee shall relieve Mortgagor from paying any amounts due under or with respect to the Obligations or from performing any other duties contained herein or secured hereby.

Future Advances

38. This Mortgage also secures all revolving credit advances and future advances made or to be made under the Loan Agreement, if any, but no later than twenty (20) years from the date hereof, which revolving credit advances and future advances shall have the same priority as if all such revolving credit advances and future advances were made on the date of execution hereof. Nothing in this Section 38 or in any other provision of this Mortgage shall be deemed either (a) an obligation on the part of Mortgagee to make any revolving credit advances or future advances other than in accordance with the terms and provisions of the Loan Agreement or (b) an agreement on the part of Mortgagee to increase the amount of the Loan or the aggregate principal amount of the Note, taken together, to any amount in excess of \$19,800,000.

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Construction Mortgage

39. This is a construction mortgage, as said term is defined in section 9-313(1)(c) of the UCC. Mortgagor further covenants and agrees that the Loan secured hereby is a construction loan and that:

(a) the "Improvements" to be erected, altered, or remodeled on the Premises shall be completed in accordance with the Plans and Specifications provided to Mortgagee in accordance with Section 7.1(e) of the Loan Agreement;

(b) there shall be no stoppage of construction for a period longer than thirty (30) days, except as provided in the Loan Agreement;

(c) in any event said construction shall be completed within the time required under the Loan Agreement;

(d) upon Mortgagor's failure to comply with any of the covenants in (a), (b), or (c), or upon the occurrence of any default not cured within the applicable cure period, Mortgagee may (but need not) take the following actions, all of which are more specifically set forth in the Loan Agreement:

- (1) declare the principal indebtedness and interest thereon due and payable; and
- (2) complete the construction, alteration, or remodeling of said Improvements and enter into the necessary contracts therefor, subject to the terms and conditions of the Loan Agreement. All money so expended shall be so much additional indebtedness secured by this Mortgage and any monies expended in excess of the Note shall be payable on demand with interest at the Default Rate.

Mortgagee may exercise either or both of said remedies, as well as any other right or remedy available to Mortgagee under this Mortgage, the Loan Agreement or at law or in equity;

(e) the construction of said Improvements is and will be in compliance, in all material respects, with all governmental regulations and restrictions and with all zoning and building laws and ordinances of the municipality in which the Premises are located, and with all building restrictions of

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record and all other terms, conditions, covenants, representations and warranties set forth in the Loan Agreement and Mortgagor will furnish satisfactory evidence to Mortgagee of such compliance as set forth in the Loan Agreement; and

(f) the proceeds of the Loan secured by this Mortgage will be disbursed to Mortgagor strictly in accordance with the provisions of the Loan Agreement, and all advances and indebtedness arising and accruing under the Loan Agreement from time to time, whether or not the total amount thereof may exceed the face amount of the Note, shall be secured hereby to the same extent as though said Loan Agreement were fully incorporated in this Mortgage.

Trustee's Exculpation

40. This Mortgage is executed by LaSalle National Trust, N.A., not personally, but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said bank hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in the Loan Agreement or the Note shall be construed as creating any liability on said Trustee or on said bank personally to pay said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as said Trustee and said bank personally are concerned, Mortgagee shall look solely to the Premises and any other property hereby conveyed for the payment thereof, by the enforcement of the lien hereby created in the manner herein and in the other Loan Documents; provided, however, that nothing herein shall affect or limit the personal liability of Beneficiary or Guarantors under the Loan Documents.

Counterparts

41. This Mortgage may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, Mortgagor has caused these presents to be signed and delivered by its duly authorized officers as of the day and year first above written.

MORTGAGOR:

LAND TRUST:

LASALLE NATIONAL TRUST, N.A.,
not personally but solely as Trustee
as aforesaid

Chas. J. ...
Secretary

By: *Joseph S. Beale*
Its: VICE PRESIDENT

BENEFICIARY:

BALMORAL RIVER PROPERTIES,
an Illinois general partnership

By: SIMON-BALMORAL DEVELOPERS,
an Indiana limited partnership,
a general partner

By: SIMON-BALMORAL, INC., an
Indiana corporation, its
managing general partner

By: _____
Its: _____

By: *Joseph S. Beale*
Joseph S. Beale, a general partner

By: HAWTHORN-BALMORAL LIMITED
PARTNERSHIP, an Illinois limited
partnership, a general partner

By: J.S.B. CORP., an Illinois
corporation, its managing
general partner

By: *Joseph S. Beale*
Joseph S. Beale, President

This instrument was prepared by
and after recording return to:

Patrick M. Hardiman
Hopkins & Sutter
Three First National Plaza
Suite 4000
Chicago, Illinois 60602

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IN WITNESS WHEREOF, Mortgagor has caused these presents to be signed and delivered by its duly authorized officers as of the day and year first above written.

MORTGAGOR:

LAND TRUST:

LASALLE NATIONAL TRUST, N.A.,
not personally but solely as Trustee
as aforesaid

By: _____
Its: _____

BENEFICIARY:

BALMORAL RIVER PROPERTIES,
an Illinois general partnership

By: **SIMON-BALMORAL DEVELOPERS,**
an Indiana limited partnership,
a general partner

By: **SIMON-BLAMORAL, INC.,** an
Indiana corporation, its
managing general partner

By: _____
Its: **HERBERT SIMON PRESIDENT**

By: _____
Joseph S. Beale, a general partner

By: **HAWTHORN-BALMORAL LIMITED**
PARTNERSHIP, an Illinois limited
partnership, a general partner

By: **J.S.B. CORP.,** an Illinois
corporation, its managing
general partner

By: _____
Joseph S. Beale, President

This instrument was prepared by
and after recording return to:

Patrick M. Hardiman
Hopkins & Sutter
Three First National Plaza
Suite 4000
Chicago, Illinois 60602

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that JOSEPH S. BEALE, the President of J.S.B. CORP., the managing general partner of HAWTHORN-BALMORAL LIMITED PARTNERSHIP, a general partner of BALMORAL RIVER PROPERTIES, personally 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 he signed and delivered said instrument as such officer of corporation, as his own free and voluntary act and as the free and voluntary act of such corporation on behalf of BALMORAL RIVER PROPERTIES for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 6th day of June, 1991.

Juliann M. Ackenberg
NOTARY PUBLIC

.....
"OFFICIAL SEAL"
JULIANN M. ACKERBERG
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Oct. 3, 1992
.....

My Commission Expires:

Notary Public, Cook County Clerk's Office

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, The undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that JOSEPH S. BEALE, a general partner of BALMORAL RIVER PROPERTIES, personally 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 he signed and delivered said instrument as such general partner, as his own free and voluntary act and as the free and voluntary act of BALMORAL RIVER PROPERTIES, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 6th day of June, 1991.

Juliann M. Ackerberg
NOTARY PUBLIC

.....
"OFFICIAL SEAL"
JULIANN M. ACKERBERG
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Oct. 3, 1992
.....

My Commission Expires:

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
INDIAN)
MARION) SS
COUNTY OF COOK)

I, Maile Smith, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Herbert Simon, a President of SIMON-BALMORAL, INC., the managing general partner of SIMON-BALMORAL DEVELOPERS, a general partner of BALMORAL RIVER PROPERTIES, personally 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 he signed and delivered said instrument as such officer, as his own free and voluntary act and as the free and voluntary act of such corporation on behalf of BALMORAL RIVER PROPERTIES, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 5th day of June, 1991.

Maile Smith

NOTARY PUBLIC

My Commission Expires:

COOK County Clerk's Office

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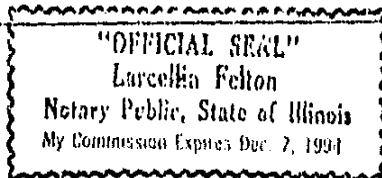
STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, LARCELLIA FELTON, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that JOSEPH W. Duda & Associates, Inc., a corporation organized under the laws of the State of Illinois, a Trustee under Trust Agreement of LaSALLE NATIONAL TRUST, N.A., not personally but solely as Trustee under Trust Agreement dated December 23, 1986 and known as Trust No. 111928, personally 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 he signed and delivered said instrument as such officer, as his own free and voluntary act and as the free and voluntary act of such corporation on behalf of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 7th day of June, 1991.

Larcellia Felton
 NOTARY PUBLIC

My Commission Expires:



Cook County Clerk's Office

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EXHIBIT A - LEGAL DESCRIPTION

PARCEL 1A (PROPERTY EAST OF OTTO):

THAT PART OF LOTS 3 AND 4 IN HENRY HACHMEISTER'S DIVISION IN SECTIONS 9 AND 10, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 6, 1908 AS DOCUMENT NO. 4183101, AND ALSO OF LOTS 8, 9, 10, 11 AND 12 (EXCEPT THE SOUTH 30.00 FEET THEREOF) IN FIRST ADDITION TO B. L. CARLSEN'S INDUSTRIAL SUBDIVISION IN THE NORTHEAST QUARTER OF SECTION 9 AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 5, 1962 AS DOCUMENT NO. 18416079, ALL IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 9 AFORESAID; THENCE ON AN ASSUMED AZIMUTH OF 269 DEGREES 47 MINUTES 56 SECONDS ALONG THE NORTH LINE OF SAID SOUTH HALF, A DISTANCE OF 665.12 FEET TO THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9; THENCE ON AN AZIMUTH OF 181 DEGREES 54 MINUTES 08 SECONDS ALONG SAID WEST LINE, 157.26 FEET TO THE SOUTH LINE OF BALMORAL AVENUE AS OPENED BY THE VILLAGE OF ROSEMONT ORDINANCE NO. 60-9-20; THENCE ON AN AZIMUTH OF 84 DEGREES 05 MINUTES 42 SECONDS ALONG SAID SOUTH LINE, 504.88 FEET TO THE EAST LINE OF OTTO AVENUE AS DEDICATED BY DOCUMENT NO. 18645445 RECORDED NOVEMBER 14, 1962, FOR A POINT OF BEGINNING; THENCE CONTINUING ON AN AZIMUTH OF 84 DEGREES 05 MINUTES 42 SECONDS ALONG THE AFOREMENTIONED SOUTH LINE OF BALMORAL AVENUE, 318.70 FEET; THENCE CONTINUING ALONG SAID SOUTH LINE ON AN AZIMUTH OF 87 DEGREES 53 MINUTES 51 SECONDS, 709.73 FEET TO THE WEST LINE OF RIVER ROAD AS PLATTED TO A WIDTH OF 100 FEET BY DOCUMENT NO. 10910669 RECORDED MAY 27, 1931, BEING A POINT ON A 1960.08 FOOT RADIUS CURVE, THE CENTER OF CIRCLE OF SAID CURVE BEARS AN AZIMUTH OF 98 DEGREES 05 MINUTES 22 SECONDS FROM SAID POINT; THENCE SOUTHERLY ALONG SAID WEST LINE AND CURVE, CENTRAL ANGLE 15 DEGREES 40 MINUTES 13 SECONDS, 536.08 FEET; THENCE CONTINUING ALONG SAID WEST LINE ON AN AZIMUTH OF 172 DEGREES 25 MINUTES 11 SECONDS, 29.28 FEET TO A POINT ON THE EASTERLY EXTENSION OF THE OCCUPIED NORTH LINE OF OWNER'S DIVISION OF PARTS OF LOTS 4 AND 5 IN HENRY HACHMEISTER'S DIVISION AFORESAID, SAID MONUMENTED NORTH LINE BEING 451.22 FEET SOUTH, AS MEASURED ALONG THE WEST LINE OF SECTION 10, OF THE NORTH LINE OF LOT 4 AFORESAID; THENCE ON AN AZIMUTH OF 269 DEGREES 56 MINUTES 19 SECONDS ALONG SAID MONUMENTED NORTH LINE, 880.04 FEET TO THE WEST LINE OF SECTION 10 AFORESAID; THENCE ON AN AZIMUTH OF 181 DEGREES 54 MINUTES 35 SECONDS ALONG SAID WEST LINE, 10.53 FEET TO THE NORTH LINE OF THE SOUTH 30 FEET OF LOT 12 IN FIRST ADDITION TO B. L. CARLSEN'S INDUSTRIAL SUBDIVISION AFORESAID; THENCE ON AN AZIMUTH OF 269 DEGREES 56

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EXHIBIT A - LEGAL DESCRIPTION

MINUTES 18 SECONDS ALONG SAID NORTH LINE, 164.55 FEET TO THE WEST LINE OF SAID LOT 12, BEING ALSO THE EAST LINE OF OTTO AVENUE; THENCE ON AN AZIMUTH OF 01 DEGREES 54 MINUTES 30 SECONDS ALONG SAID EAST LINE OF OTTO AVENUE, 516.53 FEET TO THE POINT OF BEGINNING,

(EXCEPTING THEREFROM THAT PART THEREOF DESCRIBED AS FOLLOWS: LOT 10, EXCEPT THE NORTH 20.00 FEET THEREOF, ALL OF LOT 11 AND LOT 12 EXCEPT THE SOUTH 30.0 FEET THEREOF, IN FIRST ADDITION TO B. L. CARLSEN'S INDUSTRIAL SUBDIVISION, BEING A RESUBDIVISION OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, RECORDED MARCH 5, 1962 AS DOCUMENT NUMBER 18416079.)

PARCEL II B (PROPERTY WEST OF OTTO):

THAT PART OF LOTS 3 AND 4 IN HENRY HOEMEISTER'S DIVISION IN SECTIONS 9 AND 10, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 6, 1908 AS DOCUMENT NO. 4183101, AND ALSO OF LOTS 1 THRU 7 INCLUSIVE IN FIRST ADDITION TO B. L. CARLSEN'S INDUSTRIAL SUBDIVISION IN THE NORTHEAST QUARTER OF SECTION 9 AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 5, 1962 AS DOCUMENT NO. 18416079, ALL IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 9 AFORESAID; THENCE ON AN ASSUMED AZIMUTH OF 269 DEGREES 47 MINUTES 56 SECONDS ALONG THE NORTH LINE OF SAID SOUTH HALF, A DISTANCE OF 665.12 FEET TO THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9; THENCE ON AN AZIMUTH OF 181 DEGREES 54 MINUTES 08 SECONDS ALONG SAID WEST LINE, 157.26 FEET TO THE SOUTH LINE OF BALMORAL AVENUE AS OPENED BY THE VILLAGE OF ROSEMONT ORDINANCE NO. 60-9-20, FOR A POINT OF BEGINNING; THENCE ON AN AZIMUTH OF 84 DEGREES 05 MINUTES 42 SECONDS ALONG SAID SOUTH LINE, 460.47 FEET TO THE WEST LINE OF OTTO AVENUE AS DEDICATED BY DOCUMENT NO. 18645445 RECORDED NOVEMBER 17, 1962, THENCE ON AN AZIMUTH OF 181 DEGREES 54 MINUTES 29 SECONDS ALONG SAID WEST LINE, 378.00 FEET TO THE SOUTHEAST CORNER OF LOT 7 IN FIRST ADDITION TO B. L. CARLSEN'S INDUSTRIAL SUBDIVISION AFORESAID; THENCE ON AN AZIMUTH OF 269 DEGREES 55 MINUTES 30 SECONDS ALONG THE SOUTH LINE OF LOTS 7 TO 1 INCLUSIVE, BEING ALSO THE NORTH LINE OF ALLEN AVENUE, 456.44 FEET TO THE SOUTHWEST CORNER OF LOT 1, BEING ALSO A POINT ON THE AFOREMENTIONED WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9; THENCE ON AN AZIMUTH OF 01 DEGREES 54 MINUTES 08 SECONDS ALONG SAID WEST LINE, A DISTANCE OF 331.19 FEET TO THE POINT OF BEGINNING,

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EXHIBIT A - LEGAL DESCRIPTION

PARCEL III C (PROPERTY WEST OF MICHIGAN)

THAT PART OF LOT 48, LYING EAST OF A LINE, DRAWN FROM A POINT IN THE NORTH LINE OF LOT 2, WHICH IS 17.66 FEET WEST OF THE NORTH EAST CORNER OF SAID LOT 2, TO A POINT IN THE SOUTH LINE OF SAID LOT 48, WHICH IS 10.83 FEET WEST OF THE SOUTH EAST CORNER OF SAID LOT 48; ALL IN BLOCK 9, IN J. TAYLOR'S ADDITION TO FAIRVIEW HEIGHTS, BEING A SUBDIVISION OF THE SOUTH 1/2 OF THE NORTH EAST 1/4 OF SECTION 9, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, RECORDED MAY 27, 1893 AS DOCUMENT 1876526, IN COOK COUNTY, ILLINOIS.

Permanent Tax Numbers:

12-10-100-107
12-10-100-007
12-10-100-014
12-10-100-021
12-10-100-057
12-10-100-005
12-10-214-021
12-09-214-027
12-09-200-052
12-09-214-039
12-09-214-040
12-10-100-064
12-09-200-054
12-09-200-056
12-09-200-053
12-09-200-055
12-09-200-051
12-09-203-048

Volume: 063

Cook County Clerk's Office

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EXHIBIT A - LEGAL DESCRIPTION

Said Parcels as described above also are described as follows:

PARCEL I:

THE SOUTH 15 FEET OF THE NORTH 154.28 FEET OF LOT 4 (EXCEPT THE WEST 1315.4 FEET THEREOF) LYING WEST OF THE WEST LINE OF RIVER ROAD IN HENRY HACHMEISTER'S SUBDIVISION OF PARTS OF SECTIONS 9 AND 10, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH

PARCEL II:

ALL THAT PART OF THE NORTH 139.26 FEET OF LOT 4 IN HENRY HACHMEISTER'S SUBDIVISION OF PARTS OF SECTIONS 9 AND 10, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WEST OF THE WEST LINE OF RIVER ROAD AND EAST OF A LINE 275 FEET EAST (AS MEASURED ON THE NORTH LINE OF SAID LOT 4) OF THE WEST LINE OF SECTION 10, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPTING THEREFROM THE WEST 151 FEET CONDEMNED BY CASE 77 L 5350), TOGETHER WITH

PARCEL III:

ALL THAT PART OF LOT 3 IN HENRY HACHMEISTER'S SUBDIVISION OF PARTS OF SECTION 9 AND 10, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN LYING WEST OF THE WEST LINE OF RIVER ROAD AND EAST OF A LINE 275 FEET EAST (AS MEASURED ON THE SOUTH LINE OF SAID LOT 3) OF THE WEST LINE OF SECTION 10, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN AND LYING SOUTH OF A LINE DESCRIBED AS BEGINNING AT A POINT ON THE WEST LINE OF SAID LOT 3 WHICH IS 157.25 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT; THENCE NORTHEASTERLY 823.58 FEET MORE OR LESS TO A POINT WHICH IS 75 FEET SOUTH OF (AT RIGHT ANGLE MEASUREMENT) THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 10; THENCE CONTINUING EASTERLY 709.85 FEET, MORE OR LESS, THROUGH A POINT IN THE WEST LINE OF RIVER ROAD (EXCEPTING THEREFROM THE WEST 181 FEET THEREOF CONDEMNED IN CASE 77 L 5350), ALL IN COOK COUNTY, ILLINOIS.

PERMANENT TAX NUMBER: 12-10-100-107

VOLUME: 063

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EXHIBIT A - LEGAL DESCRIPTION

PARCEL A:

The South 160 feet of the North 451.28 feet of that part of Lot 4 as lies West of the West line of River Road and East of the West line of Section 10, Township 40 North, Range 12 East of the Third Principal Meridian, said lot being in Henry Hachmeister's Division of parts of Sections 9 and 10, Township 40 North, Range 12 East of the Third Principal Meridian according to the plat thereof recorded April 6, 1908 as Document Number 4183101 in Cook County, Illinois.

PARCEL B:

The East 381 feet (as measured on the South line of Lot 3) of all that part of Lot 3 in Henry Hachmeister's Subdivision of parts of Section 9 and Section 10, Township 40 North, Range 12 East of the Third Principal Meridian lying West of a line 456 feet East (as measured on the South line of said Lot 3) of West line of Section 10, Township 40 North, Range 12 East of the Third Principal Meridian and lying South of a line described as beginning at a point on the West line of said Lot 3 which is 157.25 feet South of the Northwest corner of said Lot; thence Northeasterly 823.58 feet to a point which is 75 feet South of (at right angle measurement) the North line of the Southwest Quarter of the Northwest Quarter of said Section 10; thence continuing Easterly 759.85 feet more or less through a point on the West line of River Road which is 50 feet South of (at right angle measurement) the North line of the Southwest Quarter of the Northwest Quarter of Section 10 to the center line of said River Road, in Cook County, Illinois.

PARCEL C:

Also the East 381 feet (as measured on the North line of Lot 4) of all that part of the North 139.28 feet of Lot 4 in Henry Hachmeister's Subdivision of parts of Sections 9 and 10, Township 40 North, Range 12 East of the Third Principal Meridian lying West of a line 456 feet East (as measured on the North line of said Lot 4) of the West line of Section 10, Township 40 North, Range 12 East of the Third Principal Meridian (except that part of Lot 4 falling in Section 9), in Cook County, Illinois.

PARCEL D:

Also the South 152 feet of the North 291.28 feet of that part of Lot 4 lying West of the West line of River Road of Henry Hachmeister Division in Section 9 and Section 10, Township 40 North, Range 12 (except the South 15 feet of the North 154.28 feet of said Lot 4 lying West of the West line of River Road and East of the West 1,315.4 feet of said Lot 4; also excepting that part of Lot 4 falling in Section 9), in Cook County, Illinois.

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EXHIBIT A - LEGAL DESCRIPTION

PARCEL E:

Also Lots 8, 9 and the Northerly 20 feet of Lot 10 in First Addition to B.L. Carlson's Industrial Subdivision of the Northeast Quarter of Section 9, Township 40 North, Range 12, in Cook County, Illinois.

Permanent Tax Numbers: 12-10-100-007 Volume: 063
(Affects Parcel A)

12-10-100-014
(Affects Part of Parcel D)

12-10-100-021
(Affects Part of Parcel D)

12-10-100-057
(Affects the West 200 feet of Parcels B and C)

12-10-100-106
(Affects the East 181 feet of Parcels B and C)

12-09-214-021
(Affects Lot 8 of Parcel E)

12-09-214-027
(Affects Lot 9 and the Northerly 20 feet of Lot 10 of Parcel E)

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EXHIBIT A - LEGAL DESCRIPTION

PARCEL G:

That part of Lot 3 in Henry Hachmeister's Subdivision of parts of Sections 9 and 10, Township 40 North, Range 12, East of the Third Principal Meridian which lies West of a line which is 208.83 feet West (as measured on the South line of Lot 3) of the East line of the Northeast 1/4 of said Section 9, and which lies South of a line described as beginning at a point on the West line of said Lot 3 which is 157.25 feet South of the Northwest corner of said Lot; thence Northeasterly 823.58 feet to a point which is 75 feet South of (at right angle measurement) the North line of the Southwest 1/4 of the Northwest 1/4 of Section 10; thence continuing Easterly 759.85 feet more or less, through a point in the West line of River Road which is 50 feet South of (at right angle measurement) the North line of the Southwest 1/4 of the Northwest 1/4 of Section 10 to the center line of said River Road (except the West 230 feet of the foregoing described tract, as measured on the South line thereof)

TOGETHER WITH

That part of the North 139.28 feet of Lot 4 in Henry Hachmeister's Subdivision of parts of Sections 9 and 10, Township 40 North, Range 12, East of the Third Principal Meridian which lies West of a line 208.83 feet West (as measured on the North line of Lot 4) of the East line of the Northeast 1/4 of Section 9, Township 40 North, Range 12, East of the Third Principal Meridian (except the West 230 feet of the foregoing described tract, as measured on the North line thereof), in Cook County, Illinois.

Permanent Tax Number: 12-09-200-052

Volume: 063

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EXHIBIT A - LEGAL DESCRIPTION

PARCEL 1:

That part which lies North of a line described as running from a point on the West line 98.50 feet North of the Southwest corner to a point on East line 93.21 feet North of the South East corner of the tract of land described as follows:

The East 164.80 feet (except the East 25 feet of the East 164.80 feet thereof) (measured on the South line of Lot 3) of all that part of Lot 3 in Henry Hachmeister's Subdivision of parts of Sections 9 and 10, Township 40 North, Range 12 East of the Third Principal Meridian, which lies West of the East line of the North East 1/4 of Section 9 aforesaid and which also lies South of a line described as beginning at a point on the West line of said Lot 3 which is 157.25 feet South of the North West corner of said Lot 3; thence Northeasterly 823.58 feet to a point which is 75 feet South of (at right angles measurement) the North line of the South West 1/4 of the North West 1/4 of said Section 10; thence continuing Easterly 759.85 feet more or less through a point in the West line of River Road which is 50 feet South of (at right angles measurement) the North line of the South West 1/4 of the North West 1/4 of Section 10 to the center line of River Road; together with the East 164.80 feet (except the East 25 feet of the East 164.80 feet thereof) (as measured on the North line of said Lot 4) of all that part of the North 139.28 feet of Lot 4 in Henry Hachmeister's Subdivision of parts of Sections 9 and 10, Township 40 North, Range 12 East of the Third Principal Meridian, which lies West of the East line of North East 1/4 of said Section 9, all in Cook County, Illinois.

PARCEL 2:

That part which lies South of a line described as running from a point on the West line 98.50 feet North of the South West corner to a point on the East line 93.21 feet North of the South East corner of the tract of land described as follows:

The East 164.80 feet (except the East 25 feet of the East 164.80 feet thereof) (measured on the South line of Lot 3) of all that part of Lot 3 in Henry Hachmeister's Subdivision of parts of Sections 9 and 19, Township 40 North, Range 12 East of the Third Principal Meridian which lies West of the East line of the North East 1/4 of Section 9 aforesaid and which also lies South of a line described as beginning at a point on the West line of said Lot 3 which is 157.25 feet South of the North West corner of said Lot; thence Northeasterly 823.58 feet to a point which is 75 feet South of (at right angles measurement) the North line of the South West

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EXHIBIT A - LEGAL DESCRIPTION

1/4 of the North West 1/4 of said Section 10; thence continuing Easterly 759.85 feet more or less through a point in the West line of River Road which is 50 feet South of (at right angles measurement) the North line of the South West 1/4 of the North West 1/4 of section 10 to the center line of River Road together with the East 164.80 feet thereof (except the East 25 feet of the East 164.80 feet thereof, as measured on the North line of Lot 4) of all that part of the North 139.28 feet of Lot 4 in Henry Hachmeister's Subdivision of parts of Sections 9 and 10, Township 40 North, Range 12 East of the Third Principal Meridian, which lies West of the East line of the North East 1/4 of said Section 9 all in Cook County, Illinois.

Permanent Tax Number: 12-09-214-039

Volume: 063

PARCEL 3:

The West 75.0 feet (as measured on the South line of Lot 3) of all that part of Lot 3 in Henry Hachmeister's Subdivision of parts of Section 9 and 10, Township 40 North, Range 12 East of the Third Principal Meridian lying East of the West line of the North West 1/4 of said Section 10 and which lies South of a line described as beginning at a point on the West line of said Lot 3, which is 157.25 feet South of the North West corner of said Lot 3; thence Northeasterly 823.58 feet to a point which is 75 feet South of (at right angles measurement) the North line of the South West 1/4 of the North West 1/4 of said Section 10, thence continuing Easterly 759.85 feet more or less through a point in the West line of the River Road which is 50 feet South of (at right angle measurement) the North line of the South West 1/4 of the North West 1/4 of Section 10, to the center line of River Road, together with the East 25 feet (as measured on the South line of Lot 3) of all that part of Lot 3 in Henry Hachmeister's subdivision aforesaid which lies West of the East line of the North East 1/4 of Section 9 aforesaid, and which also lies South of a line described as beginning at a point on the West line of said Lot 3, which is 157.25 feet South of the North West corner of said Lot, thence Northeasterly 823.58 feet to a point which is 75 feet South of (at right angle measurement) the North line of the South West 1/4 of the North West 1/4 of said Section 10, thence continuing Easterly 759.85 feet, more or less, through a point in the West line of River Road which is 50 feet South of (at right angle measurement) the North line of the South West 1/4 of the North West 1/4 of Section 10, to the center line of River Road; together with the West 139.28 feet of Lot 4 in Henry Hachmeister's subdivision aforesaid lying East of the West line of the North West 1/4 of said Section 10; together with the East 25 feet (as measured on the North line of Lot 4) of all that part of the North 139.28 feet of Lot 4 in Henry Hachmeister's Subdivision aforesaid lying West of the East line of the North East 1/4 of said Section 9, all in Cook County, Illinois.

Permanent Tax Numbers: 12-09-214-040
12-10-100-064

Volume: 063

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EXHIBIT A - LEGAL DESCRIPTION

PARCEL 4:

Lot 4 (except the West 1/2 thereof) and all of Lots 5, 6 and 7 in First Addition to B.L. Carlsen's Industrial Subdivision, being a Resubdivision in the Northeast 1/4 of Section 9, Township 40 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Tax Numbers: 12-09-200-054 Volume: 063
(Affects Lots 5, 6 and 7)

12-09-200-056
(Affects Lot 4 (except the West 1/2 thereof))

PARCEL 5

Lots 1, 2 and 3, and the West One-Half of Lot 4, in the First Addition to B.L. Carlsen's Industrial Subdivision, being a resubdivision in the Northeast Quarter of Section 9, Township 40 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Tax Numbers: 12-09-200-053 Volume: 063
(Affects Lots 1, 2 and 3)

12-09-200-055
(Affects West half of Lot 4)

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EXHIBIT A - LEGAL DESCRIPTION

PARCEL 6:

The West 230 feet (as measured on the South line) of the following described tract:

That part of Lot 3 in Henry Hachmeister's Subdivision of parts of Sections 9 and 10, Township 40 North, Range 12, East of the Third Principal Meridian which lies West of a line which is 208.83 feet West (as measured on the South line of Lot 3) of the East line of the Northeast 1/4 of said Section 9, and which lies South of a line described as beginning at a point on the West line of said Lot 3 which is 157.25 feet South of the Northwest corner of said Lot; thence Northeasterly 823.58 feet to a point which is 75 feet South of (at right angle measurement) the North line of the Southwest 1/4 of the Northwest 1/4 of Section 10, thence continuing Easterly 759.85 feet more or less, through a point in the West line of River Road which is 50 feet South of (at right angle measurement) the North line of the Southwest 1/4 of the Northwest 1/4 of Section 10 to the center line of said River Road;
TOGETHER WITH

The West 230 feet (as measured on the North line) of the following described tract:

That part of the North 139.28 feet of Lot 4 in Henry Hachmeister's Subdivision of parts of Sections 9 and 10, Township 40 North, Range 12, East of the Third Principal Meridian which lies West of a line 208.83 feet West (as measured on the North line of Lot 4) of the East line of the Northeast 1/4 of Section 9, Township 40 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 7:

That part of Lot 48 lying East of a line drawn from a point in the North line of Lot 2, which is 17.66 feet West of the North East corner of said Lot 2, to a point in the South line of said Lot 48, which is 10.83 feet West of the South East corner of said Lot 48; all in Block 9, in J. Taylor's Addition to Fairview Heights, being a subdivision of the South 1/2 of the North East 1/4 of Section 9, Township 40 North, Range 12 East of the Third Principal Meridian, recorded May 27, 1893 as Document 1876526, in Cook County, Illinois.

Permanent Tax Number: 12-09-200-051
(Affects Parcel 1)

Volume: 063

12-09-203-048
(Affects Parcel 2)

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EXHIBIT B

1. General Taxes for the years 1990 (second installment) and 1991.
2. An easement for public utilities, as disclosed by the Plat of Subdivision.
Recorded: March 5, 1962
Document: 18,416,079
Affects: 5 feet through the middle portion of Parcel IIB
3. An easement in favor of Northern Illinois Gas Company for the installation, relocation, renewal and removal of gas mains and appurtenances.
Recorded: January 14, 1966
Document: 19,711,328
Affects: North 5 feet of the South 87.5 feet of the West half of Parcel IIB
4. Rights of the following tenants under unrecorded leases:
 1. Lease executed by LaSalle National Bank Land Trust No. 111928 and Midland Engineering & Machine Company February 15, 1989, amended by First Amendment dated March 2, 1990, and amended by Second Amendment, dated March 31, 1991 (terminable on not more than ninety (90) days notice from Borrower).
 2. Lease executed by LaSalle National Bank Land Trust No. 111928 and Four Star Tool September 15, 1990 (terminable on not more than ninety (90) days notice from Borrower).
5. The following matters, as disclosed by survey by Muckie Consultants, Inc. dated April 10, 1991 (all of which shall be affirmatively endorsed as to Lender's satisfaction):
 - (a) Encroachment upon Parcel IA by building in the Southwesterly portion of said parcel by .23 to .27 foot;
 - (b) Overhead wires and incidental facilities located in the Westerly portion of Parcel IA;
 - (c) Encroachment onto Otto Avenue to the West by fence on Parcel IA;

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EXHIBIT B

- (d) Encroachment onto River Road to the East by fence on Parcel IA;
- (e) Encroachment of 1 story brick building located on Parcel IIB onto Michigan Avenue by .7 foot at the Northwest corner of said building;
- (f) Encroachment of 1 story brick building located on Parcel IIB onto Michigan Avenue by .7 foot at the Northwest corner of said building;
- (g) Fire hydrant near the Southwest corner of Parcel IIB and the rights of the municipality and public therein;
- (h) Sign on the West line of Parcel IIB, near the Southwest corner thereof;
- (i) Various sanitary sewer lines and incidental structures located in Parcel IIB;
- (j) Various storm sewer lines and incidental structures located in Parcel IIB;
- (k) Water line along the North line of Parcel IIB;
- (l) Encroachment of 6 foot chain link fence located primarily on Parcel IIB onto Balmoral Avenue;
- (m) Overhead wires and incidental facilities located along the Westerly line of Parcel IIIC.
- (n) Encroachment onto Balmoral Avenue to the North by fence located on Parcel IA.

6. Rights of adjoining owners in and to the land South and West of the fences on Parcel IA.