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

AETNA BEARING COMPANY

Donald S. Horvath, Esq.  
JENNER & BLOCK  
One IBM Plaza  
Chicago, IL 60611

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## MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT and FINANCING STATEMENT (herein sometimes called "Mortgage") is made as of March 27, 1992, by AETNA BEARING COMPANY, a Delaware corporation, formerly known as Finson International, Inc., having its principal office at 4600 West Schubert, Chicago, Illinois 60639 (herein, together with its successors and assigns, called the "Mortgagor"), to THE CIT GROUP/CREDIT FINANCE, INC., a Delaware corporation, having an office at 332 South Michigan Avenue, Chicago, IL 60604 (herein, together with its successors and assigns, called the "Mortgagee").

### RECITALS:

DEPT-11 RECORD-1 \$95.75  
347777 TRAM 9520 03/30/92 10:19:00  
18767 : G \* -92-207792  
COOK COUNTY RECORDER

A. Loan Agreement and Loan Amount. The Mortgagor is the owner of the land (the "Land") described on Exhibit A attached hereto. The Mortgagor and the Mortgagee have entered into that certain Loan and Security Agreement (herein, as it may from time to time be amended, supplemented or modified, referred to as the "Loan Agreement") bearing even date herewith, providing for the Mortgagor's performance of certain covenants, satisfaction of certain conditions and making of certain representations and warranties and for loans to be made from time to time by the Mortgagee to the Mortgagor pursuant to the terms and conditions set out therein, in a principal amount not to exceed in the aggregate Four Million Five Hundred Thousand and No/100 Dollars (\$4,500,000.00) (the "Loan Amount"). Any term capitalized but not specifically defined in this Mortgage, which is capitalized and defined in the Loan Agreement, shall have the same meaning for purposes of this Mortgage as it has for purposes of the Loan Agreement. The Mortgagor is or will become justly indebted to the Mortgagee in the Loan Amount in accordance with the terms of the Loan Agreement.

B. Note, Principal and Interest. Pursuant to the Loan Agreement, the Mortgagor has executed and delivered to the Mortgagee that certain Term Promissory Note, dated the date hereof, in the principal amount of \$1,500,000.00, payable to the order of the Mortgagee at Chicago, Illinois, and due and

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payable, together with all accrued and unpaid interest, in full, if not sooner paid on or before April 1, 1997, subject to acceleration as provided in such Term Promissory Note, in the Loan Agreement or in this Mortgage (herein, such Term Promissory Note, together with any and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof or which may evidence any of the indebtedness secured hereby, shall be called the "Note"). The Note bears interest as provided in the Note, on the principal amount thereof from time to time outstanding; all principal of and interest on the Note is payable in lawful money of the United States of America at the office of the Mortgagee in Chicago, Illinois, or at such place as the holder thereof may from time to time appoint in writing.

C. Revolving Loans, Principal and Interest. The Mortgagee has agreed to make future advances to Borrower on a day-by-day or other periodic basis in amounts and subject to the limitations provided in the Loan Agreement, which advances will be repaid and re-borrowed pursuant to and in accordance with the terms of the Loan Agreement (the "Revolving Loans"). The Revolving Loans are evidenced by the Loan Agreement and are due and payable, and subject to acceleration, as provided in the Loan Agreement. The Revolving Loans bear interest as provided in the Loan Agreement, on the principal amount thereof from time to time outstanding; all principal of and interest on the Revolving Loans is payable in lawful money of the United States of America at the office of the Mortgagee in Chicago, Illinois, or at such other place as the Mortgagee or its successor or assign may appoint in writing.

D. Related Documents. Any and all loan agreements (including, without limitation, the Loan Agreement), the Note, and any other documents and instruments executed and delivered by or for the benefit of the Mortgagor to evidence or secure the Obligations (as defined in the Loan Agreement), whether pursuant to the terms of the Loan Agreement or otherwise, or for the purpose of supplementing or amending all or any of the foregoing, as the same may be amended, modified or supplemented from time to time, are sometimes hereinafter referred to as the "Related Documents."

E. The Liabilities. As used in this Mortgage, the term "Liabilities" means and includes all of the following: (i) the principal of, interest on and any and all other amounts which may at any time be or become due or owing under the Note, the Revolving Loans or either or both; (ii) the Obligations and all other indebtedness of any kind arising under, and all amounts of any kind which may at any time be or become due or owing to the Mortgagee under or with respect to, the Loan Agreement, this Mortgage or any of the other Related Documents; (iii) all of the covenants, obligations

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and agreements (and the truth of all representations and warranties) of the Mortgagor in, under or pursuant to the Loan Agreement, the Note, this Mortgage, and all of the other Related Documents; any and all advances, costs or expenses paid or incurred by the Mortgagee to protect any or all of the Collateral (hereinafter defined), perform any obligation of the Mortgagor hereunder or under any of the Related Documents or collect any amount owing to the Mortgagee which is secured hereby; (iv) any and all other obligations of the Mortgagor to the Mortgagee, in each case, howsoever created, arising or evidenced, direct or indirect, absolute or contingent, joint or several, now or hereafter existing or due or to become due, and whether or not arising out of or in connection with the Loan Agreement (or the Revolving Loans made pursuant thereto), the Note, this Mortgage or any of the other Related Documents; (v) interest on all of the foregoing; and (vi) all costs of enforcement and collection of the Loan Agreement, the Note, the Revolving Loans, this Mortgage, any of the other Related Documents, and the Liabilities. Provided, however, notwithstanding anything to the contrary herein, the total aggregate indebtedness and Liabilities at any time secured by this Mortgage shall not exceed an amount equal to five (5) times the Loan Amount. For purposes of this Mortgage and the Loan Agreement, the principal sum of the Liabilities secured by this Mortgage shall be deemed to be the last amounts repaid to the Mortgagee under the terms of the Loan Agreement, the Note and this Mortgage.

F. The Collateral. For purposes of this Mortgage, the term "Collateral" means and includes all of the following, whether now owned or hereafter acquired by the Mortgagor:

(i) Real Estate. All of the Land, together with all and singular the tenements, rights, easements, hereditaments, rights of way, privileges, liberties, appendages and appurtenances now or hereafter belonging or in anywise appertaining to the Land (including, without limitation, all rights relating to storm and sanitary sewer, water, gas, electric, railway and telephone services); all development rights, air rights, water, water rights, water stock, gas, oil, minerals, coal and other substances of any kind or character underlying or relating to the Land; all estate, claim, demand, right, title or interest of the Mortgagor in and to any street, road, highway, or alley (vacated or otherwise) adjoining the Land or any part thereof; all strips and gores belonging, adjacent or pertaining to the Land; and any after-acquired title to any of the foregoing (all of the foregoing is herein referred to collectively as the "Real Estate");

(ii) Improvements and Fixtures. All buildings, structures, fixtures and other improvements of every

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kind and character now or hereafter located or erected on the Real Estate and owned or purported to be owned by the Mortgagor, all equipment, appliances, machinery, plant equipment, fixtures and other articles of any kind or nature whatsoever or hereafter affixed to or attached to the Real Estate and owned or purported to be owned by the Mortgagor; and all accessions to, substitutions for, and replacements, products and proceeds of any of the foregoing (all of the foregoing is herein referred to collectively as the "Improvements");

(iii) Personal Property. All furniture, furnishings, equipment (including, without limitation, telephone and other communications equipment, window cleaning, building cleaning, monitoring, garbage, air conditioning, pest control and other equipment) and all other tangible property of any kind or character now or hereafter owned or purported to be owned by the Mortgagor and used or useful in connection with the Real Estate, regardless of whether located on the Real Estate or located elsewhere including, without limitation, all rights of the Mortgagor under any lease of furniture, furnishings, fixtures and other items of personal property at any time during the term of such lease, and all rights under and to all payments and deposits required by the provisions of Section 1.20 hereof (all of the foregoing is herein referred to collectively as the "Goods");

(iv) Intangibles. All goodwill, trademark, trade names, option rights, purchase contracts, books and records and general intangibles of the Mortgagor relating to the Real Estate or the Improvements and all accounts, contract rights, instruments, chattel paper and other rights of the Mortgagor for payment of money to it for property sold or lent by it, for services rendered by it, for money lent by it, or for advances or deposits made by it, and any other intangible property of the Mortgagor related to the Real Estate or the Improvements (all of the foregoing is herein referred to collectively as the "Intangibles");

(v) Rents. All rents, issues, profits, royalties, avails, income and other benefits derived or owned by the Mortgagor directly or indirectly from the Real Estate or the Improvements (all of the foregoing is herein collectively called the "Rents");

(vi) Leases. All rights of the Mortgagor under all leases, licenses, occupancy agreements, concessions or other arrangements, whether written or oral, whether now existing or entered into at any time hereafter, whereby any Person (as defined in the Loan Agreement) agrees to pay money to the Mortgagor or any considera-

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tion for the use, possession or occupancy of, or the conducting of any business on, or any estate in, the Real Estate or the Improvements or any part thereof, and all rents, income, profits, benefits, avails, advantages and claims against guarantors under any thereof (all of the foregoing is herein referred to collectively as the "Leases");

(vii) Plans. All rights of the Mortgagor, if any, to plans and specifications, designs, drawings and other matters prepared in connection with the Real Estate or the Improvements (all of the foregoing is herein called the "Plans");

(viii) Contracts for Construction or Services. All rights of the Mortgagor, if any, under any contracts executed by the Mortgagor with any provider of goods or services for or in connection with any construction undertaken on the Real Estate or the Improvements, including any architect's contract (all of the foregoing is herein referred to collectively as the "Contracts for Construction");

(ix) Contracts for Sale or Financing. All rights of the Mortgagor, if any, as seller or borrower under any agreement, contract, understanding or arrangement pursuant to which the Mortgagor has, with the prior written consent of the Mortgagee, obtained the agreement of any Person to pay or disburse any money for the Mortgagor's sale (or borrowing on the security) of the Real Estate or any part thereof (all of the foregoing is herein referred to collectively as the "Contracts for Sale"); and

(x) Other Property. All other rights of the Mortgagor of any kind or character related to the Real Estate or the Improvements, and all proceeds (including insurance and condemnation proceeds) and products of any of the foregoing, including all proceeds of the conversion, whether voluntary or involuntary, of any of the foregoing into cash or liquidated claims. (All of the Real Estate and the Improvements, and any other property constituting a portion of the Collateral which is real estate under applicable law, is sometimes referred to collectively herein as the "Premises".)

## G R A N T

NOW THEREFORE, for and in consideration of the Mortgagee's executing and delivering the Loan Agreement, and of the Mortgagee's making any loan, advance or other financial accommodation at any time to or for the benefit of the



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Mortgagor, and in consideration of the various agreements contained herein and in the Loan Agreement and the other Related Documents, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the Mortgagor, and in order to secure the full, timely and proper payment and performance of each and every one of the Liabilities,

THE MORTGAGOR HEREBY MORTGAGES, CONVEYS, GRANTS, BARGAINS, SELLS, TRANSFERS, ASSIGNS AND WARRANTS TO THE MORTGAGEE AND ITS SUCCESSORS AND ASSIGNS FOREVER, AND GRANTS TO THE MORTGAGEE A CONTINUING LIEN UPON AND SECURITY INTEREST IN AND TO ALL OF THE COLLATERAL,

TO HAVE AND TO HOLD the Collateral unto the Mortgagee and its successors and assigns forever, for the purposes and uses herein set forth. All of the Collateral, whether real, personal, or mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) 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 Premises and to be appropriated to the use of the Premises, and shall be for the purposes of this Mortgage deemed to be real estate and conveyed and mortgaged hereby. As to any of the Collateral which (notwithstanding the aforesaid declaration and agreement) does not so form a part and parcel of the Premises, this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code in effect in the jurisdiction in which the Premises are located (hereinafter referred to as 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 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 of the Collateral which the UCC classifies as fixtures, this instrument shall constitute a fixture filing and financing statement under the UCC.

The Mortgagor hereby covenants with and warrants to the Mortgagee and with the purchaser at any foreclosure sale: that at the execution and delivery hereof it is well seized of the Premises, and of a good, indefeasible estate therein, in fee simple; that the Collateral is free from all encumbrances whatsoever (and any claim of any other Person there-to) other than the security interest granted to the Mortgagee herein and pursuant to the Related Documents and the encumbrances set forth in the title insurance policy insuring the lien of this Mortgage in favor of the Mortgagee (collectively, the "Permitted Exceptions"); that it has good and lawful right to sell, grant, mortgage and convey, and grant a security interest in, the Collateral; and that it and its succes-

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sors and assigns will forever warrant and defend the Collateral against all claims and demands whatsoever with the exception of the Permitted Exceptions.

## I. COVENANTS AND AGREEMENTS OF MORTGAGOR

Further to secure the full, timely and proper payment and performance of the Liabilities, the Mortgagor hereby covenants and agrees with, and warrants to, the Mortgagee as follows:

1.1. Payment of Liabilities. The Mortgagor agrees that it will pay, timely and in the manner required in the appropriate documents or instruments, the principal of and interest on the Note, and all other Liabilities (including fees and charges), as hereinbefore provided.

1.2. Payment of Taxes. The Mortgagor will pay at least five (5) business days before delinquent, all taxes and assessments, general or special, water rates and any and all levies, claims, charges, expenses and liens, ordinary or extraordinary, governmental or non-governmental, statutory or otherwise, due or to become due, that may be levied, assessed, made, imposed or charged on or against the Collateral or any property used in connection therewith, and in default thereof, the Mortgagee may pay the same, and will pay before due any tax or other charge on the interest or estate in lands created or represented by this Mortgage or by any of the other Related Documents, whether levied against the Mortgagor or the Mortgagee or otherwise, and will submit to the Mortgagee upon request all receipts showing payment of all of such taxes, assessments, water rates and charges; provided, however, that Mortgagor shall not (unless otherwise required by law) be required to pay any such taxes, assessments, levies, claims, charges, expenses or liens which are being contested in good faith and by appropriate proceedings and as to which reserves are being maintained by Mortgagor, so long as the failure to pay any such taxes, assessments, claims, charges, expenses or liens during the period of contest will not result in the forfeiture of any part of the Collateral.

1.3. Maintenance, Repair and Restoration of Improvements; Payment of Prior Liens. Mortgagor shall (a) promptly repair, restore or rebuild the Improvements which may become damaged or be destroyed; (b) keep the Premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien not expressly subordinated to the lien hereof; provided, however, the Mortgagor shall not (unless otherwise required by law) be required to satisfy any such lien which is being contested in good faith and by appropriate proceedings and as to which

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reserves are being maintained by Mortgagor, so long as the failure to satisfy any such lien during the period of contest will not result in the forfeiture of any part of the Collateral; (c) pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time in process of erection upon the Real Estate; (e) comply with all requirements of law, municipal ordinances, or restrictions of record with respect to the Premises and the use thereof; (f) make no material alterations in the Premises, without Mortgagee's written consent, which will not be unreasonably withheld; and (g) initiate or acquiesce in no zoning variation or reclassification, without Mortgagee's written consent, which consent will not be unreasonably withheld.

1.4. Insurance. Mortgagor shall keep the Goods and Improvements and all other Collateral insured against loss or damage by fire and such other hazards as may be reasonably requested by Mortgagee or required by the Loan Agreement, including, but not limited to, all-risk property insurance covering, without limitation, fire, extended coverage, vandalism and malicious mischief in an amount that is not less than the replacement cost of the Improvements and Goods without consideration for depreciation, with an agreed upon value endorsement; insurance against flood if required by the Federal Disaster Protection Act of 1973, as amended, and regulations issued thereunder; comprehensive general public liability insurance, in an amount satisfactory to Mortgagee; and, during construction, builder's completed value risk insurance against "all risks of physical loss" (including collapse and transit coverage); and all other insurance commonly or, in the reasonable judgment of Mortgagee, prudently maintained by those whose business and use of real estate is similar to that of the Mortgagor. Mortgagor shall further provide Mortgagee with insurance certificates evidencing that any general contractor secured by Mortgagor to perform general contracting work on the Premises has, in full force and effect, liability and worker's compensation insurance. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts reasonably satisfactory to Mortgagee, with standard noncontributory mortgagee loss payee clauses attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the Mortgagee. All policies shall provide that they shall not be invalidated by any foreclosure or other proceeding or notice of sale relating to the Premises, nor by a change in the title or ownership of the Premises, nor by the occupation of the Premises for purposes more hazardous than are permitted by the policies. All

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policies shall further name Mortgagee as an additional insured and as a loss payee. Mortgagor shall deliver copies of all policies (and certificates of insurance with respect thereto), including additional and renewal policies, to Mortgagee. In the case of any insurance policy about to expire, Mortgagor shall deliver renewal policies not less than ten (10) days prior to their respective expiration dates. 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 standard 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.

## 1.5. Adjustment of Losses with Insurer and Application of Proceeds of Insurance.

(a) In case of loss or damage by fire or other casualty, Mortgagee is authorized to (i) settle and adjust any claim under insurance policies which insure against such risks, or (ii) allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, the Mortgagee is authorized to collect and issue a receipt for any such insurance money. At the option of the Mortgagee, such insurance proceeds may be applied in the reduction of the liabilities, whether due or not, or may be held by the Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoration of the Premises. Irrespective of whether such insurance proceeds are used to reimburse Mortgagor for the cost of said rebuilding or restoration or not, and irrespective of whether such insurance proceeds are or are not adequate for such purpose, the Premises shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the cost of rebuilding, repairing or restoring the Premises can reasonably be expected to exceed the sum of One Hundred Thousand Dollars (\$100,000.00), then the Mortgagor shall obtain Mortgagee's approval of plans and specifications for such work before such work shall be commenced, which approval will not be unreasonably withheld. In any case, where the insurance proceeds are made available for rebuilding and restoration, such proceeds shall be disbursed in the manner and under the conditions that the Mortgagee may reasonably require and upon Mortgagee being furnished with satisfactory evidence of the estimated cost of completion thereof and with architect's certificates, waivers of lien, contractor's and subcontractors' sworn statements and other evidence of cost and payments so that Mortgagee can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics' lien claims. If the estimated cost of completion

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exceeds the amount of the insurance proceeds available, the Mortgagor immediately shall, on written demand of the Mortgagee, deposit with the Mortgagee in cash the amount of such estimated excess cost. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of the disbursing party shall be at least sufficient to pay for the cost of completion of the work free and clear of liens. Any surplus which may remain out of said insurance proceeds after payment of such cost of building or restoration shall, at the option of the Mortgagee, be applied on account of the Liabilities or be paid to any party entitled thereto without interest.

(7) Any provision of this Section 1.5 to the contrary notwithstanding, provided that (i) the insurance carrier does not deny liability as to the insured and Mortgagor demonstrates to Mortgagee's satisfaction that Mortgagor has the financial capacity (taking into account any projected receipts from the Premises and any proceeds from applicable insurance policies) to fulfill its obligations under the Note, this Mortgage and the other Related Documents during the process of rebuilding or restoration, (ii) no Default (as hereinafter defined) exists under this Mortgage, (iii) the proceeds of such insurance are used solely for rebuilding or restoration and are sufficient to rebuild or restore the Premises as required hereunder (or Mortgagor deposits any deficiency with Mortgagee or deposits a letter of credit or other security satisfactory to Mortgagee in its absolute discretion to cover such deficiency), (iv) the funds are released under escrow or construction funding arrangements reasonably satisfactory to Mortgagee, and (v) the rebuilding or restoration can in Mortgagee's reasonable judgment be expected to be substantially completed prior to the maturity date of the Note, Mortgagee agrees to make such insurance proceeds available, after deducting therefrom any expenses reasonably incurred in the collection thereof, in accordance with the other provisions of this Section 1.5 for the rebuilding or restoration of the Premises. Any excess proceeds remaining after completion of the rebuilding or restoration of the Premises may be retained by Mortgagee at its option, for application against the Liabilities as set forth above or paid to any party entitled thereto, without interest. In addition, provided that no Default exists under this Mortgage, any proceeds of rent loss or similar insurance shall be made available to Mortgagor to pay debt service and operating expenses.

1.6. Stamp and Other Taxes. If the Federal, or any state, county, local, municipal or other, government or any subdivision of any thereof having jurisdiction, shall levy, assess or charge any tax (excepting therefrom any tax measured or determined on the Mortgagee's receipt of interest

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payments on the principal portion of the indebtedness secured hereby), assessment or imposition upon this Mortgage, the Liabilities, the Note, the Revolving Loans or any of the other Related Documents, the interest of the Mortgagee in the Collateral, or any of the foregoing, or upon the Mortgagee by reason of or as holder of any of the foregoing, or shall at any time or times require revenue stamps to be affixed to the Note, the Loan Agreement, this Mortgage, or any of the other Related Documents, the Mortgagor shall pay all such taxes and stamps to or for the Mortgagee as they become due and payable. If any law or regulation is enacted or adopted permitting, authorizing or requiring any tax, assessment or imposition to be levied, assessed or charged, which law or regulation prohibits the Mortgagor from paying the tax, assessment, stamp, or imposition to or for the Mortgagee, then all sums hereby secured shall become immediately due and payable at the option of the Mortgagee. Thereafter, if the Mortgagor fails to make payment of all such sums within five (5) days of the Mortgagee's demand therefor, such failure shall constitute a Default (hereinafter defined) hereunder and all sums secured hereby shall become immediately due and payable.

1.7. Effect of Extensions of Time. If the payment of the Liabilities or any part thereof is extended or varied or if any part of any security for the payment of the Liabilities is released or additional security is taken, all persons now or at any time hereafter liable therefor, or interested in the Collateral, shall be held to assent to such extension, variation, or taking of additional security 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 the Mortgagee, notwithstanding such extension, variation, taking of additional security or release.

1.8. Recorded Instruments. That Mortgagor will promptly perform and observe, or cause to be performed or observed, all of the terms, covenants and conditions of all instruments of record affecting the Collateral, noncompliance with which would affect the security of this Mortgage or impose any duty or obligation upon Mortgagor or other occupant of the Premises, or any part thereof, and Mortgagor shall do or cause to be done all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of or constituting any portion of the Premises.

1.9. Mortgagee's Performance of Defaulted Acts. Upon or at any time after the occurrence of a Default, Mortgagee may, but need not, make any payment or perform any act herein 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

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purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or consent to any tax or assessment or cure any default of the Mortgagor as lessor under any of the Leases. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies advanced by Mortgagee in regard to any stamp tax or any Leases or to protect the Premises and the lien hereof, shall be added to the Liabilities, and shall become immediately due and payable without notice and with interest thereon at the rate payable after the occurrence of an Event of Default under the Loan Agreement (the "Default Rate"). 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.

1.10. Mortgagee's Reliance on Tax Bills. 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 other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

## 1.11. Condemnation.

(a) Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation (the "Condemnation Proceeds"). The Mortgagee may elect to apply the Condemnation Proceeds upon or in reduction of the Liabilities, whether due or not, or make the Condemnation Proceeds available for restoration or rebuilding of the Premises. Irrespective of whether the Condemnation Proceeds are made available for restoration or rebuilding, and irrespective of whether the Condemnation Proceeds are adequate for such purpose, the Premises shall be restored or rebuilt in accordance with plans and specifications to be submitted to and approved by the Mortgagee. In the event the Condemnation Proceeds are made available for rebuilding or restoration, the Condemnation Proceeds shall be disbursed in the manner and under the conditions that the Mortgagee may require and paid out in the same manner as provided in Section 1.5 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration. In such event, if the estimated cost to complete rebuilding or restoration exceeds the Condemnation Proceeds, Mortgagor immediately shall, on written demand of the Mortgagee, deposit with the Mortgagee in cash the amount of such excess cost. Any surplus which

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may remain out of the Condemnation Proceeds after payment of such cost of building or restoration shall, at the option of the Mortgagee, be applied on account of the Liabilities or be paid to any party entitled thereto, without interest.

(b) Any provision of this Section 1.11 to the contrary notwithstanding, provided that (i) Mortgagor demonstrates to Mortgagee's satisfaction that Mortgagor has the financial capacity (taking into account any projected receipts from the Premises and the Condemnation Proceeds) to fulfill its obligations under the Note, the Loan Agreement, this Mortgage and the other Related Documents during the process of rebuilding or restoration, (ii) no Default exists under this Mortgage, (iii) the Condemnation Proceeds are used solely for rebuilding or restoration and are sufficient to rebuild or restore the Premises as required hereunder (or Mortgagor deposits any deficiency with Mortgagee or deposits a letter of credit or other security satisfactory to Mortgagee in its absolute discretion to cover such deficiency), (iv) the funds are released under escrow or construction funding arrangements reasonably satisfactory to Mortgagee, and (v) the rebuilding or restoration can in Mortgagee's reasonable judgment be expected to be substantially completed prior to the maturity date of the Note or the Revolving Loans, whichever is later, Mortgagee agrees to make the Condemnation Proceeds available after deducting therefrom any expenses reasonably incurred in the collection thereof, in accordance with the other provisions of this Section 1.11 for the rebuilding or restoration of the Premises. Any excess remaining after completion of the rebuilding or restoration of the Premises may be retained by Mortgagee at its option, for application against the Liabilities as set forth in Section 1.5 above, or paid to any party entitled thereto, without interest. In addition, provided that no Default exists under this Mortgage, any proceeds of rent loss or similar insurance shall be made available to Mortgagor to pay debt service and operating expenses.

1.12. Mortgagee's Right of Inspection. Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

1.13. Continuing Priority. The Mortgagor will: pay such fees, taxes and charges, execute and file (at the Mortgagor's expense) such financing statements, obtain such acknowledgements or consents, notify such obligors or providers of services and materials and do all such other acts and things as the Mortgagee may from time to time request to establish and maintain a valid and perfected first and prior lien on and security interest in the Collateral and to provide for payment to the Mortgagee directly of all cash proceeds thereof, with the Mortgagee in possession of the Collateral to the extent it requests; maintain its executive office and principal place of business at all times at the

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address shown above; keep all of its books and records relating to the Collateral on the Premises or at such address; keep all tangible Collateral on the Real Estate (except for temporary removals thereof), except as the Mortgagee may otherwise consent in writing.

1.14. Utilities. The Mortgagor will pay all utility charges incurred in connection with the Collateral and maintain all utility services available for use at the Premises.

1.15. Contract Maintenance; Other Agreements; Leases.

(a) The Mortgagor will, for the benefit of the Mortgagee, fully and promptly keep, observe, perform and satisfy each obligation, condition, covenant, and restriction of the Mortgagor affecting the Premises or imposed on it under any agreement between Mortgagor and a third party relating to the Collateral or the Liabilities secured hereby, including, without limitation, the Leases, the Contracts for Sale, the Contracts for Construction (collectively, the "Third Party Agreements"), so that there will be no default thereunder by Mortgagor and so that the Persons (other than the Mortgagor) obligated thereon shall be and remain at all times obligated to perform for the benefit of the Mortgagee; and the Mortgagor will not permit to exist any condition, event or fact which could allow or serve as a basis for justification for any such Person to avoid such performance. Without the prior written consent of the Mortgagee, which consent will not be unreasonably withheld, the Mortgagor shall not: (i) make or permit any termination or amendment of the rights of the Mortgagor under any Third Party Agreement; (ii) collect rents or the proceeds of any Leases or Intangibles more than thirty (30) days before the same shall be due and payable; (iii) modify or amend any Leases, cancel or terminate the same or accept a surrender of the leased premises; (iv) consent to the assignment or subletting of the whole or any portion of any lessee's interest under any Lease, or grant any options to renew; or (v) in any other manner impair Mortgagee's rights and interest with respect to the Rents. The Mortgagor will (i) furnish Mortgagee, within ten (10) days after a request by Mortgagee to do so, a written statement containing the names of all lessees, terms of all Leases, including the spaces occupied and the rentals payable thereunder; (ii) exercise within five (5) days of any demand therefor by Mortgagee any right to request from the lessee under any Lease a certificate with respect to the status thereof; or (iii) not permit any Lease to become subordinate to any lien on the Premises without the prior written consent of Mortgagee and will include in each Lease a provision whereby the tenant thereunder covenants that it will not subordinate its leasehold interest therein to any lien on the Premises without the prior written consent of Mortgagee; the Mortgagor shall promptly deliver to the Mortgagee copies of any demands or notices of default re-

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ceived by the Mortgagor in connection with any Third Party Agreement and allow the Mortgagee the right, but not the obligation, to cure any such default. All security or other deposits, if any, received from tenants under the Leases shall be segregated and maintained in an account reasonably satisfactory to the Mortgagee and in compliance with the law of the state where the Premises are located and with an institution satisfactory to the Mortgagee.

(b) Nothing in this Mortgage or in any of the other Related Documents shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of Mortgagor as landlord under any of the Leases assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by the landlord, each and all of which covenants and payments Mortgagor agrees to perform and pay. Unless waived by Mortgagee, each of the Leases hereafter entered into shall have a subordination provision in form and substance reasonably satisfactory to Mortgagee, subordinating the interest of the tenants under the Leases to this Mortgage, and all renewals, modifications, consolidations, replacements and extensions hereof and shall have attornment and noncancellation clauses in form and substance reasonably satisfactory to Mortgagee. Until all of the Liabilities and other sums secured by this Mortgage are paid in full, Mortgagee reserves the right to require that any Lease be made either superior to or inferior to the lien of this Mortgage.

(c) In the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee under each Lease shall attorn to any person succeeding to the interest of Mortgagor as a result of such enforcement and shall recognize such successor in interest as landlord under such Lease without change in the terms or other provisions thereof; provided, however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance, and shall not be bound by any amendment or modification to any Lease made without the consent of Mortgagee or said successor in interest. Each lessee, upon request by said successor in interest, shall execute and deliver an instrument or instruments confirming such attornment.

1.16. Notify the Mortgagee of Default. The Mortgagor shall notify the Mortgagee in writing forthwith upon learning of the occurrence of any Default hereunder, which notice shall describe such Default and the steps being taken by the Mortgagor with respect thereto.

1.17. Restrictions on Transfers; Assignments; Future Leases.

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(a) The Mortgagor shall not, without first obtaining the express written consent of Mortgagee, which consent will not be unreasonably withheld, create, effect or consent to or suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Collateral or any part thereof, or interest therein, in each case whether any such conveyance, sale, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, that the foregoing provisions of this Section 1.17(a) shall not apply (A) to the lien of this Mortgage or any lien created pursuant to the other Related Documents, or (B) to the lien of current taxes and assessments not yet due and payable. The provisions of this Section 1.17(a) shall be operative with respect to, and shall be binding upon, any Person who, in accordance with the terms hereof or otherwise, shall acquire, either directly or indirectly, any part of or interest in or encumbrance upon the Premises.

(b) The Mortgagor shall not cause or permit any Rents, Leases, Contracts for Sale, Contracts for Construction or other contracts relating to the Premises to be assigned, transferred, conveyed, pledged or disposed of to any party other than the Mortgagee without first obtaining the express written consent of the Mortgagee, which consent will not be unreasonably withheld, to any such assignment or permit any such assignment to occur by operation of law.

## 1.18. Assignment of Leases and Rents and Collections.

(a) All of the Mortgagor's interest in and rights under the Leases now existing or hereafter entered into, and all of the Rents, whether now due, past due, or to become due, and including all prepaid rents and security deposits, and all other amounts due with respect to any of the other Collateral, are hereby absolutely, presently and unconditionally assigned and conveyed to the Mortgagee to be applied by the Mortgagee in payment of all sums due under the Note, the Revolving Loans, the other Liabilities and all other sums payable under this Mortgage. Prior to the occurrence of any Default, the Mortgagor shall have a license to collect and receive all Rents and other amounts, which license shall be terminated at the sole option of the Mortgagee, without regard to the adequacy of its security hereunder upon notice to the Mortgagor, upon the occurrence of any Default. It is understood and agreed that neither the foregoing assignment to the Mortgagee nor the exercise by the Mortgagee of any of its rights or remedies under Article II hereof shall be deemed to make the Mortgagee a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Collateral or the use, occupancy, enjoyment or any portion thereof, unless and until the Mortgagee, in person or by



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agent, assumes actual possession thereof. Nor shall appointment of a receiver for the Collateral by any court at the request of the Mortgagee or by agreement with the Mortgagor, or the entering into possession of any part of the Collateral by such receiver, be deemed to make the Mortgagee a mortgagee-in-possession or otherwise responsible or liable in any manner with respect to the Collateral or the use, occupancy, enjoyment or operation of all or any portion thereof. Upon the occurrence of any Default, this shall constitute a direction to and full authority to each lessee under any Leases, each guarantor of any of the Leases and any other Person obligated under any of the Collateral to pay all Rents and other amounts to the Mortgagee without proof of the Default relied upon. The Mortgagor hereby irrevocably authorizes each such Person to rely upon and comply with any notice or demand by the Mortgagee for the payment to the Mortgagee of any Rents and other amounts due or to become due.

(b) The Mortgagor shall apply the Rents and other amounts to the payment of all necessary and reasonable operating costs and expenses of the Collateral, debt service on the Liabilities and otherwise in compliance with the provisions of the Loan Agreement.

(c) The Mortgagor shall at all times fully perform the obligations of the lessor under all Leases. The Mortgagor shall at any time or from time to time, upon request of the Mortgagee, transfer and assign to the Mortgagee in such form as may be satisfactory to the Mortgagee, the Mortgagor's interest in the Leases, subject to and upon the condition, however, that prior to the occurrence of any Default hereunder, the Mortgagor shall have a license to collect and receive all Rents under such Leases upon accrual, but not prior thereto, as set forth in Section 1.18(a) above.

(d) The Mortgagee shall have the right to assign the Mortgagee's right, title and interest in any Leases to any subsequent holder of this Mortgagee or any participating interest therein or to any Person acquiring title to all or any part of the Collateral through foreclosure or otherwise. Any subsequent assignee shall have all the rights and powers herein provided to the Mortgagee. Upon the occurrence of any Default, the Mortgagee shall have the right to execute new leases of any part of the Collateral, including leases that extend beyond the term of this Mortgagee. The Mortgagee shall have the authority, as the Mortgagor's attorney-in-fact, such authority being coupled with an interest and irrevocable, to sign the name of the Mortgagor and to bind the Mortgagor on all papers and documents relating to the operation, leasing and maintenance of the Collateral.

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## 1.19. Hazardous Materials.

(a) The Premises and its present use comply in all material respects, and at all times shall comply in all material respects, with all Federal, state and local statutes, laws, ordinances, codes, rules, regulations, orders or decrees regulating, relating to or imposing liability or standards of conduct concerning, any Hazardous Material now, or at any time hereafter, in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), as amended, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act ("RCRA"), as amended, 42 U.S.C. § 6901, et seq., and any so-called "Superfund" or "Superlien" law all as amended or hereafter amended (all of the foregoing are hereinafter called the "Environmental Laws"). Neither the Mortgagor nor, to the knowledge of Mortgagor, any other Person has ever caused or permitted any Hazardous Material (hereinafter defined) to be generated or disposed of on, under or at the Premises or the Real Estate or any part thereof or any other real property legally or beneficially owned (or any interest or estate in real property which is owned) or operated by the Mortgagor and no such real property has ever been used (whether by the Mortgagor or by any other Person) as (i) a dump site or permanent storage site for any Hazardous Material or (ii) a temporary storage site for any Hazardous Material, except in accordance with the Mortgagor's ordinary business practices and in compliance with the Environmental Laws.

(b) Mortgagor hereby covenants that it will not use, generate, manufacture, produce, store, release, discharge, or dispose of on, under or about the Premises or transport to or from the Premises any Hazardous Materials or allow any other person or entity to do so, except in accordance with Mortgagor's ordinary business practices and in strict compliance with the Environmental Laws.

(c) In the event that any investigation, site monitoring, containment, clean-up, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is required as a result of the enforcement of any of the Environmental Laws in connection with, the current or future presence, suspected presence, release or suspected release of any Hazardous Materials in or about the air, soil, ground water, surface water or soil vapor at, on, about, under or within the Premises (or any portion thereof), Mortgagor shall within thirty (30) days after written demand for performance thereof by Mortgagee (or such shorter period of time as may be required under any of the Environmental Laws), commence and thereafter diligently prosecute to completion, all the Remedial Work. The Remedial Work shall be performed by contractors approved in advance by Mortgagee, which approval will not be unreasonably withheld, and under the supervision of a consulting engineer approved by

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Mortgagee, which approval will not be unreasonably withheld. All costs and expenses of the Remedial Work shall be paid by Mortgagor including, without limitation, Mortgagee's reasonable attorneys' fees, paralegal fees and costs incurred in connection with monitoring or review of the Remedial Work. In the event Mortgagor shall fail to timely prosecute to completion the Remedial Work, Mortgagee may, but shall not be required to, cause the Remedial Work to be performed and all costs and expenses thereof, or incurred in connection therewith, shall become part of the Liabilities.

(d) The Mortgagor hereby indemnifies the Mortgagee and agrees to hold the Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Mortgagee for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises or the Real Estate of any Hazardous Material, including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the Environmental Laws, regardless of whether or not caused by, or within the control of, the Mortgagor. This indemnity shall survive the reconveyance or release of the lien of this Mortgage, the extinguishment of the lien by foreclosure or action and reconveyance or extinguishment, or the delivery of a deed in lieu of foreclosure.

(e) For purposes of this Mortgage, "Hazardous Material" means and includes any toxic or hazardous waste, pollutants, or substances, including, without limitation, asbestos, PCBs or dioxins, or insulation or other material composed of or containing asbestos, PCBs or dioxins, petroleum products and by-products, substances defined or listed as "hazardous substances" or "toxic substances" in CERCLA, "hazardous materials" in the Hazardous Materials Transportation Act, 49 U.S.C. § 1802 et. seq., "hazardous waste" in RCRA, any chemical substance or mixture regulated under the Toxic Substance Control Act of 1976, as amended, 15 U.S.C. § 2601 et. seq., any "toxic pollutant" under the Clean Water Act, 33 U.S.C. § 1251 et. seq., as amended, any "hazardous air pollutant" under the Clean Air Act, 42 U.S.C. § 7401 et. seq., and any hazardous or toxic substance or pollutant regulated under any other applicable federal, state or local Environmental Laws.

1.20. Reserve for Taxes, Assessments and Insurance. Upon or at any time after the occurrence of a Default, at Mortgagee's request the Mortgagor covenants and agrees to pay to the Mortgagee (or as directed by Mortgagee, to any Person designated by the Mortgagee to receive such payments (a "Depository")) monthly until the Note, the Revolving Loans and all of the other Liabilities have been paid in full, in

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addition to the monthly payments of principal and interest under the terms of the Note and the Revolving Loans, and concurrently therewith monthly until the Note or the Revolving Loans, as the case may be, are fully paid, a sum equal to taxes and assessments next due upon the Premises (all as estimated by the Mortgagee) and the premiums that will next become due and payable on policies of fire, rental value and other insurance covering the Premises required under the terms of this Mortgage, divided by the number of months to elapse before one month prior to the date when such taxes, assessments and insurance premiums will become due and payable, such sums to be held by the Mortgagee or the Depository, if any, without interest accruing thereon, to pay each of the said items.

All payments described above in this Section 1.20 shall be paid by the Mortgagor each month in a single payment to be applied by the Mortgagee or the Depository, if any, to the foregoing items in such order as the Mortgagee shall elect in its sole discretion.

Upon or at any time after the occurrence of a Default, at Mortgagee's request, the Mortgagor covenants and agrees to pay to the Mortgagee, at least thirty (30) days prior to the due date of any taxes, assessments or insurance premiums levied on, against or with respect to the Premises, such additional amount as may be necessary to provide the Mortgagee or the Depository, if any, with sufficient funds to pay any such tax, assessment and insurance premiums under this Section 1.20 at least thirty (30) days in advance of the due date thereof. The Mortgagor's failure timely to make any payments required under this Section 1.20 shall be a Default under this Mortgage.

The Mortgagee or the Depository, if any, shall, within twenty (20) days of receipt from the Mortgagor of a written request therefor together with such supporting documentation as the Mortgagee may reasonably require (including, without limitation, official tax bills or statements for insurance premiums), cause proper amounts to be withdrawn from the applicable depository account and paid directly to the appropriate tax collecting authority or insurer. Even though the Mortgagor may have made all appropriate payments to the Mortgagee or the Depository, if any, as required by this Mortgage, the Mortgagor shall nevertheless have full and sole responsibility at all times to cause all taxes, assessments and insurance premiums to be fully and timely paid, and the Mortgagee or any Depository shall have no responsibility or obligation of any kind with respect thereto except with respect to payments required to be made by the Mortgagor hereunder for which the Mortgagee or the Depository, if any, has received funds to cover such payments in full and all statements, invoices, reports or other materials necessary to make such payments, all not less than thirty (30) days prior

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to the deadline for any such payment. If at any time the funds so held by the Mortgagee shall be insufficient to cover the full amount of all taxes, assessments and insurance premiums then accrued (as estimated by the Mortgagee) with respect to the then-current twelve-month period, the Mortgagor shall, within ten (10) days after receipt of notice thereof from the Mortgagee or the Depository, if any, deposit with the Mortgagee or the Depository, if any, such additional funds as may be necessary to remove the deficiency. Failure to do so within such ten-day period shall be a Default hereunder and all sums hereby secured shall immediately become due and payable at the option of the Mortgagee. In the event of a Default hereunder or if the Premises are sold under foreclosure or are otherwise acquired by the Mortgagee, accumulations under this Section 1.20 may be applied to the Liabilities in such order of application as the Mortgagee may elect in its sole discretion. Any Depository hereunder shall not be liable for any act or omission performed in good faith or pursuant to the direction of any party hereto, but shall be liable only for its gross negligence or willful misconduct.

1.21. Governmental Requirements. The Mortgagor will at all times fully comply with, and cause the Collateral and the use and condition thereof fully to comply with, all federal, state, county, municipal, local and other governmental statutes, ordinances, requirements, regulations, rules, orders and decrees of any kind whatsoever that apply or relate to the Mortgagor or the Collateral or the use thereof, and will observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, franchises and concessions (including, without limitation, those relating to land use and development, landmark preservation, construction, access, water rights and use, noise and pollution) which are applicable to the Mortgagor or have been granted for the Collateral or the use thereof.

1.22. Financial Reporting. The Mortgagor shall furnish to the Mortgagee the financial data required by Section 6.1 of the Loan Agreement at the times and in the manner provided therein. The Mortgagor agrees to permit the Mortgagee and its agents, at reasonable times and intervals, to inspect and audit the Mortgagor's records relating to the Premises for any reasonable purpose.

## II. D E F A U L T ; R E M E D I E S

2.1. Defaults. Each of the following shall constitute a default ("Default") hereunder:

(a) The occurrence of an Event of Default under the terms and provisions of the Loan Agreement; or

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(b) Non-compliance by the Mortgagor with, or failure by the Mortgagor to pay or perform, any obligation or agreement contained in this Mortgage (other than any non-compliance or failure which constitutes a default under Section 2.1(a) or 2.1(c) hereof) and continuance of such non-compliance or failure for five (5) days with respect to any monetary default under this Mortgage, or for thirty (30) days after notice thereof to the Mortgagor from the Mortgagee with respect to any non-monetary default under this Mortgage; or

(c) A default by the Mortgagor occurs under the terms of any of the Leases or under any other Third Party Agreement and any such default continues for more than the applicable period of grace, if any, therein set forth.

2.2. Acceleration. Upon or at any time after the occurrence of a Default, the entire indebtedness evidenced by the Note, the Loan Agreement and all other Liabilities, together with interest thereon at the Default Rate shall, subject to any provisions of the Note, the Loan Agreement or the other Related Documents, at once, at the option of the Mortgagee, become immediately due and payable without demand or notice of any kind to the Mortgagor or any other Person. Further, in the event Mortgagee shall be or become entitled to, or shall, accelerate the indebtedness secured hereby, Mortgagee shall have the right, at Mortgagor's expense, to conduct an environmental audit, review and assessment of the Premises and Mortgagor hereby consents to Mortgagee and its representatives entering upon the Premises for such purpose. The scope of such environmental audit, review and assessment shall be determined by Mortgagee.

2.3. Foreclosure; Expense of Litigation. Upon or at any time after the occurrence of a Default, Mortgagee shall have the right immediately to foreclose this Mortgage. In any civil action to foreclose the lien hereof, there shall be allowed and included as Liabilities in the order or judgment for sale all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' 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 order or judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such civil actions or to evidence to bidders at any sale which may be held pursuant to such order or judgment the true condition of the title to or the value of the Collateral. All expenditures and expenses of the nature in this Section 2.3 mentioned, and such expenses and fees as may be incurred in the protection of the Collateral and maintenance of the lien of this Mortgage, including the fees of any attorney employed by

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Mortgagee in any litigation or proceeding affecting this Mortgage, the Note, the Revolving Loans or the other Liabilities, including probate, bankruptcy and appellate proceedings, or in preparation for the commencement or defense of any proceeding of threatened civil actions or proceeding shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate, and shall be secured by this Mortgage.

2.4. Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 2.3 hereof; second, all other items which may under the terms hereof constitute Liabilities other than the Liabilities evidenced by the Note or the Loan Agreement with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note or the Revolving Loans; and fourth, any surplus to Mortgagor, its successors or assigns, as their rights may appear.

2.5. Appointment of Receiver. 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 for the Premises. Such appointment may be made either before or after sale, without notice, 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 or whether the same shall be then occupied as a homestead or not and the Mortgagee hereunder or any holder of the Note or the Loan Agreement may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and during the full statutory period of redemption, 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, and 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 of: (a) the Liabilities, or by any judgment or order foreclosing this Mortgage, 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 foreclosure sale; and (b) the deficiency in case of a sale and deficiency.

2.6. Mortgagee's Right of Possession in Case of Default. In any case in which under terms of this Mortgage, Mortgagee has a right to institute foreclosure proceedings,

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whether before or after the Liabilities are declared immediately due, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Premises or any part thereof personally, or by its agents or attorneys, as for condition broken. 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 accounts of Mortgagor or then owner of the Premises relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom and may as attorney in fact or agent of 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 to: (a) cancel or terminate any Lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) elect to disaffirm any Lease or sublease which is then subordinate to the lien hereof; (c) extend or modify any 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 Liabilities 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 a foreclosure of this Mortgage, discharge of the Liabilities, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as Mortgagee may deem appropriate; (e) insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (f) receive all of such Rents and proceeds, 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 prior notice to Mortgagor.

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2.7. Application of Income Received by Mortgagee. Mortgagee, in the exercise of the rights and powers conferred herein, shall have full power to use and apply the Rents and proceeds 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 the cost to manage and lease the Premises (which shall include appropriate compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents), establishing 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, replacements, alterations, additions, betterments, and improvements of the Premises and of placing the Premises in such condition as will, in the judgment of Mortgagee, make it readily marketable and rentable; and

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

2.8. Performance of Third Party Agreements. The Mortgagee may, in its sole discretion at any time after the occurrence of a Default (or prior thereto if so provided elsewhere in this Mortgage), notify any Person obligated to the Mortgagor under or with respect to any Third Party Agreements of the existence of a Default, require that performance be made directly to the Mortgagee at the Mortgagor's expense, advance such sums as are necessary or appropriate to satisfy the Mortgagor's obligations thereunder and exercise, on behalf of the Mortgagor, any and all rights of the Mortgagor under the Third Party Agreements as the Mortgagee, in its reasonable discretion, deems necessary or appropriate, and the Mortgagor agrees to cooperate with the Mortgagee in all ways reasonably requested by the Mortgagee (including the giving of any notices requested by, or joining in any notices given by, the Mortgagee) to accomplish the foregoing.

2.9. Rights Cumulative. No right, power or remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other right, power or remedy, and each right, power and remedy herein conferred upon the Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall

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not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any Default or acquiescence therein.

## III. G E N E R A L

3.1. Release upon Payment and Discharge of Mortgagor's Obligations. Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of the Liabilities.

3.2. Giving of Notice. Except as otherwise provided, all notices, requests and demands hereunder shall be (a) made to Mortgagee at its address set forth above and to Mortgagor at its address set forth above, or to such other address as either party designate by written notice to the other in accordance with this provision, and (b) deemed to have been given or made: if by hand, immediately upon delivery; if by telex, telegram or teletype (fax), immediately upon receipt; if by overnight delivery service, one day after dispatch; and if by first class or certified mail, three (3) days after mailing.

3.3. Waiver of Statutory Rights. Mortgagor shall not apply for or avail itself of any appraisal, 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 Collateral marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Collateral sold as an entirety. Mortgagor does hereby expressly waive any and all rights of redemption from any order, judgment or decree of foreclosure of this Mortgage on behalf of Mortgagor and each and every person acquiring any interest in or title to the Collateral subsequent to the date of this Mortgage. Mortgagor does hereby further expressly waive, to the extent now or hereafter permitted by law, all rights of reinstatement of this Mortgage pursuant to Section 15-1602 of the Illinois Mortgage Foreclosure Law, Chapter 110, Section 15-1101 et seq., Illinois Revised Statutes (the "Act").

3.4. Compliance with Illinois Mortgage Foreclosure Law. In the event that any provision of this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable

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any other provision of this Mortgage that can be construed in a manner consistent with the Act. If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon any Default by the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Sections 15-1510 or 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in Section 2.6 of this Mortgage, shall be added to the Liabilities secured by this Mortgage or by the judgment of foreclosure.

3.5. Security Agreement; Fixture Filing. In the event of a Default under this Mortgage, the Mortgagee, pursuant to the appropriate provisions of the UCC, shall have the option of proceeding as to both real property and personal property in accordance with its rights and remedies with respect to the real property, in which event the default provisions of the UCC shall not apply. The parties agree that, in the event the Mortgagee shall elect to proceed with respect to the personal property Collateral securing the Liabilities separately from the real property, ten (10) days notice of the sale or other disposition of the personal property Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by the Mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagee. The Mortgagor agrees that, without the written consent of the Mortgagee, the Mortgagor will not remove or permit to be removed from the Premises any of the Goods or other personal property or fixtures securing the Liabilities except that so long as no Default has occurred and is continuing, Mortgagor shall be permitted to sell or otherwise dispose of such property when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Premises, upon replacing the same or substituting for the same other property at least equal in value to the initial value to that disposed of and in such a manner so that said other property shall be subject to the security interest created hereby and so that the security interest of the Mortgagee shall always be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the property securing the Liabilities shall be and become immediately subject to the security interest of this Mortgage and covered hereby. The Mortgagor shall, from time to time, on request of the Mortgagee, deliver to the Mortgagee in reasonable detail an inventory of the Goods and other personal property securing the Liabilities. The Mortgagor covenants and represents that the Goods and all other personal property securing the Liabilities now are, and that all replacements

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thereof, substitutions therefor or additions thereto, unless the Mortgagee otherwise consents, will be free and clear of liens, encumbrances or security interest of others.

3.6. Filing and Recording Fees. Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the execution and acknowledgement of this Mortgage.

3.7. No Liability on Mortgagee. Notwithstanding anything contained herein, the Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of the Mortgagor, whether hereunder, under any of the Third Party Agreements or otherwise, and the Mortgagor shall and does hereby agree to indemnify against and hold the Mortgagee harmless of and from: any and all liabilities, losses or damages which the Mortgagee may incur or pay under or with respect to any of the Collateral or under or by reason of its exercise of rights hereunder; and any and all claims and demands whatsoever which may be asserted against the Mortgagee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any of the Collateral or in any of the contracts, documents or instruments evidencing or creating any of the Collateral, except for claims based on Mortgagee's willful misconduct. The Mortgagee shall not have responsibility for the control, care, management or repair of the Premises or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss, injury or death to any lessee, licensee, employee, stranger or other Person. Except as provided above, no liability shall be enforced or asserted against the Mortgagee in its exercise of the powers granted to it under this Mortgage, and the Mortgagor expressly waives and releases any such liability. Should the Mortgagee incur any such liability, loss or damage under any of the Third Party Agreements or under or by reason hereof, or in the defense of any claims or demands, the Mortgagor agrees to reimburse the Mortgagee immediately upon demand for the full amount thereof, including costs, expenses and attorneys' fees, except for amounts attributable to claims based on Mortgagee's willful misconduct.

3.8. Successors. This Mortgage, and all provisions hereof, shall extend to and be binding upon Mortgagor and its successors, grantees and assigns, any subsequent owner or owners of the Premises and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note, the Loan Agreement or this Mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the

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Mortgagee named herein, and the holder or holders, from time to time, of the Note or the Revolving Loans.

3.9. Severability. In the event one or more of the provisions contained in this Mortgage, the Note or the Revolving Loans or any other Related Documents shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

3.10. No Offset. No offset or claim that Mortgagor now has or may have in the future against Mortgagee shall relieve Mortgagor from paying any amounts due under the Note or the Loan Agreement or from performing any other obligations contained herein or secured hereby.

3.11. No Reliance by Others on the Premises. Mortgagor shall not by act or omission permit any building or other improvement not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be used. Similarly, no building or other improvement on the Premises shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Premises as zoned. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this Section 3.11 shall be void.

3.12. No Merger. It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Premises, it is hereby understood and agreed that should the Mortgagee acquire any additional or other interests in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by the Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

3.13. Mortgagee Not a Joint Venturer or Partner. The Mortgagor and the Mortgagee acknowledge and agree that in no event shall the Mortgagee be deemed to be a partner or joint venturer with the Mortgagor. Without limitation of the foregoing, the Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in

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possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the Liabilities or otherwise.

## 3.14. Loan Agreement and other Related Documents; Future Advances.

(a) The Mortgagor covenants that it will timely and fully perform and satisfy all the terms, covenants and conditions of the Loan Agreement, this Mortgage, the Note and all of the other Related Documents.

(b) This Mortgage is granted to secure future advances and loans from the Mortgagee to or for the benefit of the Mortgagor or the Premises, as provided in the Loan Agreement, and costs and expenses of enforcing the Mortgagor's obligations under this Mortgage, the Loan Agreement and the other Related Documents. All advances, disbursements or other payments required by the Loan Agreement are obligatory advances up to the credit limits established therein and shall, to the fullest extent permitted by law, have priority over any and all mechanics' liens and other liens and encumbrances arising after this Mortgage is recorded. All future advances that may be subsequently made by Mortgagee shall be made within twenty (20) years of the date hereof and have the same priority as advances made on the date hereof although there may be no advances made on the date hereof and although there may be no indebtedness outstanding at the time any future advance is made.

3.15. No Property Manager's Lien. To the extent permitted by law, any property management agreement for or relating to all or any part of the Premises, whether now in effect or entered into hereafter by the Mortgagor or any agent of Mortgagor, with a property manager shall contain a "no lien" provision whereby the property manager forever and unconditionally waives and releases any and all mechanics' lien rights and claims that it or anyone claiming through or under it may have at any time pursuant to any statute or law. Such property management agreement or a short form thereof including such waiver shall, at the Mortgagee's request, be recorded in the appropriate records for the county in which the Premises are located. In addition, the Mortgagor shall cause the property manager to enter into a subordination agreement with the Mortgagee, in recordable form, whereby the property manager subordinates its present and future lien rights and those of any party claiming by, through or under it, to the lien of this Mortgage.

3.16. Governing Law. This Mortgage shall be construed in accordance with and governed by the internal laws of the State of Illinois, without regard to principles of conflicts of laws.

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## 3.17. Miscellaneous.

(a) Mortgagee shall have the right at its option to foreclose this Mortgage subject to the rights of any tenant or tenants under the Leases and the failure to make any such tenant or tenants a party defendant to any such civil action or to foreclose their rights will not be asserted by the Mortgagor as a defense in any civil action instituted to collect the Liabilities, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Collateral, any statute or rule of law at any time existing to the contrary notwithstanding.

(b) At the option of the Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all of the Leases upon the execution by Mortgagee and recording or registering thereof, at any time hereafter, in the office wherein this Mortgage was recorded or registered, of a unilateral declaration to that effect.

(c) Upon any default by Mortgagor and following the acceleration of maturity as herein provided, a tender of payment by the Mortgagor or by anyone in behalf of the Mortgagor of the amount necessary to satisfy the Liabilities made at any time prior to foreclosure sale shall constitute an evasion of the prepayment terms of the Note or the Loan Agreement and be deemed to be a voluntary prepayment thereunder and any such payment will, therefore, include the additional payment required under the prepayment privilege, if any, contained in the Note or the Loan Agreement.

(d) Borrower represents and warrants that the loan is a loan secured by a mortgage on real estate which comes within the purview of Paragraph 6404(1)(1) of Chapter 17 of the Illinois Revised Statutes.

(e) Mortgagor represents and warrants, that the disclosure requirements of the Illinois Responsible Property Transfer Act ("RPTA") Chapter 30, Section 901 et seq., Illinois Revised Statutes, apply to the loan transaction contemplated by this Mortgage. Mortgagor agrees to comply with RPTA and to deliver to Mortgagee such disclosure documents as may be required by RPTA (Mortgagee waives the disclosure deadline established by the RPTA). Mortgagor agrees to place of record simultaneously with the recording of this Mortgage, any disclosure statement furnished to Mortgagee pursuant to this paragraph and also file simultaneously therewith a true and correct copy of said disclosure statement with the Illinois Environmental Protection Agency.

**3.18 WAIVER OF JURY TRIAL. MORTGAGOR (i) WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION TO ENFORCE OR**

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DEFEND ANY MATTER ARISING FROM OR RELATED TO THIS MORTGAGE, THE NOTE, THE LOAN AGREEMENT OR ANY OF THE OTHER RELATED DOCUMENTS; (ii) IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN COOK COUNTY, ILLINOIS, OVER ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY MATTER ARISING FROM OR RELATED TO THIS MORTGAGE, THE NOTE, THE LOAN AGREEMENT OR ANY OF THE OTHER RELATED DOCUMENTS; (iii) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT MORTGAGOR MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUCH ACTION OR PROCEEDING; (iv) AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW; AND (v) AGREES NOT TO INSTITUTE ANY LEGAL ACTION OR PROCEEDING AGAINST MORTGAGEE OR ANY OF MORTGAGEE'S DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR PROPERTY, CONCERNING ANY MATTER ARISING OUT OF OR RELATING TO THIS MORTGAGE, THE NOTE, THE LOAN AGREEMENT OR ANY OF THE OTHER RELATED DOCUMENTS IN ANY COURT OTHER THAN ONE LOCATED IN COOK COUNTY, ILLINOIS. MORTGAGOR WAIVES PERSONAL SERVICE OF THE SUMMONS AND COMPLAINT, OR OTHER PROCESS OR PAPERS ISSUED IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY MATTER ARISING FROM OR RELATED TO THIS MORTGAGE, THE NOTE, THE LOAN AGREEMENT OR ANY OF THE OTHER RELATED DOCUMENTS, AND AGREES THAT SERVICE OF SUCH SUMMONS AND COMPLAINT, OR OTHER PROCESS OR PAPERS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO MORTGAGOR AT THE ADDRESS OF MORTGAGOR SET FORTH ABOVE. SHOULD MORTGAGOR FAIL TO APPEAR OR ANSWER ANY SUMMONS, COMPLAINT, PROCESS OR PAPERS SO SERVED WITHIN THIRTY (30) DAYS AFTER THE MAILING THEREOF, IT SHALL BE DEEMED IN DEFAULT AND AN ORDER AND/OR JUDGMENT MAY BE ENTERED AGAINST IT AS DEMANDED OR PRAYED FOR IN SUCH SUMMONS, COMPLAINT, PROCESS OR PAPERS. NOTHING IN THIS SECTION 3.18 SHALL AFFECT OR IMPAIR MORTGAGEE'S RIGHT TO SERVE LEGAL PROCESS IN ANY MANNER PERMITTED BY LAW OR MORTGAGEE'S RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST MORTGAGOR OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

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IN WITNESS WHEREOF, the Mortgagor has executed and delivered this Mortgage at Chicago, Illinois, as of the day and year first above written, pursuant to proper authority duly granted.

Mortgagor:

AETNA BEARING COMPANY,  
a Delaware corporation

By: 

Name: PATRICK BALSON

Title: President

DSH20320.M15

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## CONSENT AND AGREEMENT

The undersigned, Aetna Liquidating Company ("Liquidating") hereby consents to the execution and delivery by Aetna Bearing Company ("Mortgagor"), of the attached Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement (the "Mortgage") in favor of CIT Group/Credit Finance, Inc. ("Mortgagee") and with respect to the Mortgage states and agrees as follows:

1. Liquidating is a party to that certain Subordination Agreement, dated the date hereof, pursuant to which all indebtedness of Mortgagor to Liquidating is subordinated to the indebtedness of Mortgagor to Mortgagee under the terms and provisions of the Loan Agreement (as defined in the Mortgage);

2. Pursuant to the terms of the Subordination Agreement, all liens, security interests and mortgages granted in favor of Liquidating by Mortgagor are subordinated to the lien of the Mortgage and any and all other security instruments executed by Mortgagor in favor of Mortgagee. The subordinated liens and security interests include, but are not limited to, the liens and security interests evidenced by (a) that certain Junior Mortgage, Assignment of Rents and Security Agreement, dated as of December 30, 1988, made by Finson International, Inc., a Delaware corporation, Mortgagor's predecessor in interest, and recorded in the Office of the Cook County Recorder of Deeds on February 7, 1989, as Document No. 89059071 and filed in the Office of the Cook County Registrar of Titles on February 7, 1989, as Document No. LR 3772039; (b) that certain Financing Statement filed on February 9, 1989 as Document No. 89U3481; (c) that certain Financing Statement filed on February 9, 1989 as Document No. 89U3489; and (d) that certain Financing Statement filed on February 9, 1989 as Document No. 89U3492; and

3. The Subordination Agreement, and all of the terms and provisions thereof, is hereby incorporated by reference herein and in the Junior Mortgage.

IN WITNESS WHEREOF, Liquidating has executed and delivered this Consent and Agreement as of March 27, 1992.

AETNA LIQUIDATING COMPANY,  
a Delaware corporation

By: *F. Russell Jones*  
Name: F. RUSSELL JONES  
Title: Treasurer

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## Mortgage Acknowledgement

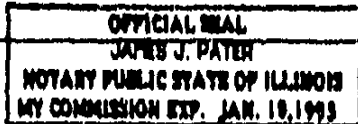
STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF COOK     )

I, James J. Pater, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Patrick Balsen, personally known to me to be the President of Aetna Bearing Company, a corporation, organized and existing under the laws of the State of Delaware, and 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 as such he signed and delivered the said instrument pursuant to proper authority, as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 26<sup>th</sup> day of March, 1992.

James J. Pater  
Notary Public

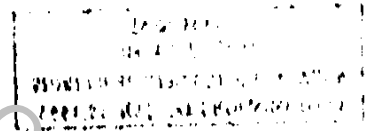
My Commission expires:



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## Aetna Liquidating Acknowledgement

STATE OF ILLINOIS     )  
                          KANE     ) SS.  
COUNTY OF COOK     )

I, WARREN A. FURST, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT J. RUSSELL HONE, personally known to me to be the TREASURER of Aetna Liquidating Company, a corporation, organized and existing under the laws of the State of DELAWARE, and 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 as such he signed and delivered the said instrument pursuant to proper authority, as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 27<sup>th</sup> day of MARCH, 1992.

Warren A. Furst  
Notary Public

My Commission expires:



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EXHIBIT A

## THE LAND

### PARCEL 1:

LOTS 9 TO 23, INCLUSIVE AND THE EAST 19 FEET IN WIDTH OF LOT 24 IN THOGERSEN AND ERICKSEN'S SUBDIVISION OF LOTS 1 TO 15 AND 26 TO 33 ALL INCLUSIVE AND PRIVATE ALLEY IN BLOCK 6 IN SAMUEL S. HAYES' KELVYN GROVE ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTHWEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN

ALSO

THAT PART OF THE EAST AND WEST 16 FOOT ALLEY NOW VACATED LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 9 TO 16, BOTH INCLUSIVE AND NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 17 TO 24, BOTH INCLUSIVE AND LYING EAST OF A LINE 16 FEET EAST OF AND PARALLEL TO THE WEST LINE OF LOT 24 PRODUCED NORTH 16 FEET IN THOGERSEN AND ERICKSEN'S SUBDIVISION AFORESAID

ALSO

THE WEST 30 FEET IN WIDTH OF THAT PART OF NORTH KINTON AVENUE IN THE CITY OF CHICAGO NOW VACATED LYING EAST OF AND ADJOINING THE EAST LINE OF BLOCK 6 AFORESAID LYING NORTH OF THE SOUTH LINE OF LOT 17 IN SAID BLOCK PRODUCED EAST 30 FEET AND LYING SOUTH OF THE NORTH LINE OF LOT 16 IN SAID BLOCK PRODUCED EAST 30 FEET IN THOGERSEN AND ERICKSEN'S SUBDIVISION AFORESAID

ALSO

BEGINNING AT THE NORTHEAST CORNER OF SAID BLOCK 6 ABOVE REFERRED TO RUNNING THENCE NORTH 18 FEET; THENCE EAST 30 FEET THEREOF SOUTH 18 FEET THENCE WEST 30 FEET TO THE POINT OF BEGINNING AND ALSO BEGINNING AT THE SOUTHEAST CORNER OF SAID BLOCK 6 ABOVE REFERRED TO RUNNING THENCE EAST 30 FEET THENCE SOUTH 33 FEET THENCE IN A STRAIGHT LINE TO POINT OF BEGINNING

### PARCEL 2:

ALL THAT PART OF WEST PARKER AVENUE LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF LOTS 10 TO 13, BOTH INCLUSIVE AND THE SOUTH LINE OF SAID LOT 10 PRODUCED WEST 15 FEET IN BLOCK 3 OF S. S. HAYES' KELVYN GROVE ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTHWEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 9 TO 16, BOTH INCLUSIVE LYING EAST OF AND ADJOINING THE WEST LINE OF SAID LOT 9 PRODUCED NORTH 100 FEET AND LYING WEST OF AND ADJOINING THE EAST LINE OF SAID LOT 16 PRODUCED NORTH 100 FEET IN THOGERSEN AND ERICKSEN'S SUBDIVISION OF LOTS 1 TO 15 INCLUSIVE AND LOTS 26 TO 33 INCLUSIVE AND PRIVATE ALLEY IN BLOCK 6 IN S. S. HAYES' KELVYN GROVE ADDITION TO CHICAGO SAID PART OF WEST PARKER AVENUE BEING FURTHER DESCRIBED AS THE EAST 240 FEET MORE OR LESS OF THAT PART OF WEST PARKER AVENUE LYING WEST OF VACATED NORTH KENTON AVENUE, IN COOK COUNTY, ILLINOIS

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## PARCEL 3:

LOTS 6, 7, 8, 9, 10 AND THAT PART OF THE STRIP OF LAND BETWEEN LOTS 6 TO 10 BOTH INCLUSIVE AND LOT 11 WHICH WAS SHOWN ON THE PLAT OF S. S. HAYES' KELVYN GROVE ADDITION TO CHICAGO AS A PRIVATE ALLEY BUT WHICH HAS NOW BEEN TERMINATED BY THE OWNERS OF ALL OF THE ABUTTING LOTS BY DECLARATION OF TERMINATION RECORDED AS DOCUMENT NO. 12919799, (EXCEPT THAT PART LYING NORTHEASTERLY OF A LINE DESCRIBED AS FOLLOWS: BEGINNING AT A POINT 1.44 FEET WEST OF THE NORTHWEST CORNER OF LOT 6, THENCE SOUTHEASTERLY AT A RADIUS OF 355.06 FEET, AN ARC DISTANCE OF 184.55 FEET THEREOF TO A POINT 2.13 FEET WEST OF THE SOUTHEAST CORNER OF LOT 10); ALSO, LOTS 11, 12, 13, 14, 15 AND THE EAST 25 FEET OF LOT 16 ALL IN BLOCK 3 IN S. S. HAYES' KELVYN GROVE ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTHWEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

## PARCEL 4:

EASEMENT FOR THE BENEFIT OF PARCEL 1 AS CREATED BY GRANT DATED JANUARY 4, 1949 AND RECORDED MARCH 23, 1949 AS DOCUMENT 14518493 FOR PURPOSE OF A RIGHT OF WAY FOR CONSTRUCTING, OPERATING AND MAINTAINING A SWITCH TRACK OVER A STRIP OF LAND BEING A PART OF VACATED NORTH KENTON AVENUE AS LAID OUT IN S. S. HAYES' KELVYN GROVE ADDITION TO CHICAGO, OF THE SOUTHWEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, BEGINNING AT A POINT ON THE EAST LINE OF SAID NORTH KENTON AVENUE BEING ALSO THE WEST LINE OF RIGHT OF WAY OF CHICAGO AND NORTHWESTERN RAILWAY WHICH IS 18 FEET SOUTH OF THE SOUTH LINE OF WEST DIVERSEY AVENUE PRODUCED EAST RUNNING THENCE PARALLEL TO THE SAID SOUTH LINE OF WEST DIVERSEY AVENUE, 12 FEET, THENCE SOUTH PARALLEL TO THE WEST LINE OF AFORESAID RIGHT OF WAY, 182.39 FEET MORE OR LESS TO A POINT 85 FEET MEASURED PARALLEL TO SAID RIGHT OF WAY, NORTH OF THE NORTH LINE OF WEST PARKER AVENUE PRODUCED EAST; THENCE SOUTHERLY IN A STRAIGHT LINE TO A POINT ON SAID NORTH LINE OF WEST PARKER AVENUE WHICH IS 19 FEET WEST OF THE WEST LINE OF THE AFORESAID RIGHT OF WAY; THENCE SOUTH PARALLEL TO THE WEST LINE OF SAID RIGHT OF WAY 82 FEET TO A POINT 18 FEET NORTH OF THE SOUTH LINE OF WEST PARKER AVENUE PRODUCED EAST; THENCE EAST PARALLEL TO SAID SOUTH LINE OF WEST PARKER AVENUE 19 FEET TO THE WEST LINE OF AFORESAID RIGHT OF WAY; THENCE NORTH ALONG SAID RIGHT OF WAY LINE 349.39 FEET MORE OR LESS TO THE POINT OF BEGINNING AND ALSO OVER A PARCEL OF LAND DESCRIBED AS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID VACATED NORTH KENTON AVENUE AFORESAID, BEING ALSO THE WEST LINE OF THE RIGHT OF WAY OF CHICAGO & NORTHWESTERN RAILWAY WHICH IS 18 FEET SOUTH OF THE SOUTH LINE OF WEST DIVERSEY AVENUE PRODUCED EAST; RUNNING THENCE NORTH ALONG SAID EAST LINE OF SAID NORTH KENTON AVENUE 18 FEET TO THE SOUTH LINE OF SAID WEST DIVERSEY AVENUE PRODUCED EAST, THENCE WEST ALONG THE SOUTH LINE OF SAID WEST DIVERSEY AVENUE PRODUCED EAST, A DISTANCE OF 12 FEET; THENCE SOUTH ALONG A LINE PARALLEL WITH SAID EAST LINE OF SAID NORTH KENTON AVENUE 18 FEET; THENCE EAST ALONG A LINE PARALLEL WITH SAID SOUTH LINE OF SAID WEST DIVERSEY AVENUE PRODUCED EAST A DISTANCE OF 12 FEET, TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS

P.I.N.: 13-27-301-008, 009; 13-27-305-010

Common street address: 4600 West Schubert  
Chicago, Illinois 60639

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