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## MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS (Illinois)

THIS MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS (Illinois) (this "Mortgage") is made as of the 30th day of March, 1992 by and between BROOKFIELD RETAIL CENTERS INC., a Minnesota corporation ("Mortgagor"), having an address 4340 Multifoods Tower, Minneapolis, Minnesota 55402, in favor of DB U.K. FINANCE P.L.C. ("Mortgagee"), having an address c/o Deutsche Bank Realty Advisors, Inc., 31 West 52nd Street, New York, New York 10019.

### W I T N E S S E T H :

WHEREAS, Mortgagor and Mortgagee have entered into a Credit Agreement dated as of March 9, 1992 (as modified, supplemented or amended from time to time, the "Credit Agreement"), providing for the making of the Loan (in the original principal amount of \$87,000,000) as contemplated therein which Loan matures on the dates set forth in the Credit Agreement, but in all events no later than September 28, 2007 (all capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Credit Agreement);

WHEREAS, Mortgagor desires to incur the Loan under the Credit Agreement; and

WHEREAS, it is a condition precedent to the making of the Loan under the Credit Agreement that Mortgagor shall have executed and delivered to Assignee this Mortgage; and

WHEREAS, Mortgagor desires to execute this Mortgage to satisfy the condition described in the preceding paragraph;

THIS INSTRUMENT PREPARED BY  
AND AFTER RECORDING RETURN TO:

ADDRESS OF PROPERTY

James L. Marovitz  
Sidley & Austin  
One First National Plaza  
Chicago, Illinois 60603

700 N. Michigan Avenue  
Chicago, Illinois 60611

P.I.N.#: 17-10-105-013  
P.I.N.#: 17-10-105-015  
P.I.N.#: 17-10-105-016

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NOW, THEREFORE, in consideration of the debt evidenced by the Notes and to secure the timely payment of both principal and interest in accordance with the terms and provisions of the Notes and the Credit Agreement, and to secure the payment of all amounts and the performance of all covenants, conditions and agreements by Mortgagor contained herein and by the Mortgagor in the Notes, the Credit Agreement and any other documents heretofore, now or hereafter executed and evidencing or securing the Loan (all indebtedness and other duties, obligations, covenants, conditions, representations, warranties and other terms and provisions of any of the Credit Documents to be paid or performed by Borrower under the Credit Documents and Mortgagor hereunder (including, without limitation, the "Obligations" as defined in the Credit Agreement) being sometimes collectively referred to herein as the "Liabilities") and to charge the properties, interests and rights hereunder described with such payment, performance and observance, and for and in consideration of other good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, Mortgagor does hereby grant, convey, mortgage, warrant, assign, transfer, hypothecate, pledge, deliver, set over and confirm unto Mortgagee, its successors and assigns, forever, the following described property:

## THE MORTGAGED PROPERTY

(A) The land located in the County of Cook, and the State of Illinois legally described in Exhibit A attached hereto and hereby made a part hereof ("Land");

(B) TOGETHER WITH all the buildings, structures and improvements of every nature whatsoever and all extensions, renewals, substitutes and replacements of, and all additions and the appurtenances to, the Land now existing or hereafter acquired by, or released to Mortgagor or constructed, assembled or placed by Mortgagor on the Land immediately upon such acquisition, release, construction, assembling, or placement, as the case may be, which in each such case, without any further grant, conveyance, assignment or other act by Mortgagor, shall become subject to the lien of this Mortgage as fully and completely and with the same effect, as though now owned by Mortgagor and specifically described herein ("Improvements"), and all fixtures, machinery, appliances, equipment, inventory, furniture and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located in or on or attached to and used or intended to be used in connection with, or with the operation of the Land, buildings, structures or other improvements or in connection with any construction being conducted or which may be conducted thereon, and owned by Mortgagor, and all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing, and all of the right, title and interest of Mortgagor in and to any such personal property or fixtures to the extent the same shall be conclusively deemed fixtures and part of the real property encumbered hereby ("Fixtures");

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(C) TOGETHER WITH all easements (including, without limitation, the Easement and Operating Agreement dated August 23, 1989, among Chicago Place Partnership, LaSalle National Trust, N.A., 700 Michigan Tower Partnership, Saks & Company, and Post and Powell Corporation, filed for record on October 5, 1990 in Cook County, Illinois as Document No. 90487310 [Permanent Real Estate Number 17-10-105-016]), rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, licenses, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the Mortgaged Property (hereinafter defined) described in Paragraphs (A) and (B) hereof, or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor;

(D) TOGETHER WITH all fixtures, furnishings, machinery, appliances, systems, building or maintenance material, equipment and all tangible personal property of every kind and nature whatsoever, and all appurtenances and additions thereto and substitutions or replacements thereof, now or at any time hereafter owned by Mortgagor, and now or hereafter attached to, contained in or used or intended to be used in connection with the Land or the construction, operation or enjoyment of the Improvements, or placed on any part thereof, wherever located (including, without limitation, in warehouses or other storage facilities or in the possession of or on the premises of vendors or manufacturers thereof), including, but not limited to, all signs, screens, awnings, shades, blinds, draperies, carpets, rugs, shelving, counters, trade fixtures, furniture and furnishings, heating, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and elevator equipment, stoves, ranges, vacuum cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, pipes, fittings and fixtures, all warehouse receipts, bills of lading or other documents of title relating to any of the foregoing and any goods covered by any such documents of title, all permits (including, without limitation, building permits), licenses, approvals and franchises or other entitlements now or hereafter owned by Mortgagor and, including all extensions, additions, accessions, improvements, betterments, renewals and replacements of any of the foregoing, whether in the possession of Mortgagor, warehousemen, bailees or any other person, and whether located at Mortgagor's place of business, the Land or elsewhere, together with the benefit of any deposits or payments now or hereafter made by Mortgagor or on its behalf in connection with any of the foregoing;

(E) TOGETHER WITH (i) all the estate, right, title and interest of Mortgagor of, in and to all judgments, insurance proceeds, awards of damages and settlements which may result from any damage to the Mortgaged Property described in Paragraphs (A), (B), (C) and (D) hereof or any part thereof or to any rights appurtenant thereto, or which may result from condemnation proceedings or the taking of Mortgaged Property described in

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Paragraphs (A), (B), (C) and (D) hereof or any part thereof under the power of eminent domain, and all proceeds of any sales or other dispositions of the Mortgaged Property described in Paragraphs (A), (B), (C) and (D) hereof or any part thereof; and Mortgagee is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor, and, subject to the terms of the Credit Agreement, if it so elects to apply the same toward the payment of the Liabilities, notwithstanding the fact that the amount owing thereon may not then be due and payable; and (ii) all contract rights, general intangibles, actions and rights in action, including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to damage to the Mortgaged Property described in Paragraphs (A), (B), (C) and (D) above; and (iii) all proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Mortgaged Property described in Paragraphs (A), (B), (C) and (D);

(F) TOGETHER WITH all rents, issues, profits, royalties, income, avails and other benefits (collectively, the "Rents") derived from any lease, sublease, license, franchise concession agreement or occupancy agreement now or hereafter affecting all or any portion of the Land or the Improvements or the use or occupancy thereof, whether written or verbal (collectively, the "Leases"), provided, however, that permission is hereby given to Mortgagor, so long as no Event of Default (as defined in Section 2.01 hereof) has occurred hereunder, to collect and use such Rents, as they become due and payable, but not in advance thereof. Upon the occurrence of any Event of Default, the permission hereby given to Mortgagor to collect such Rents shall terminate;

The foregoing provisions hereof shall constitute an absolute and present assignment of the Rents, subject, however, to the conditional permission given to Mortgagor to collect and use such Rents as hereinabove provided; and the existence or exercise of such right of Mortgagor shall not operate to subordinate this assignment to any subsequent assignment, in whole or in part, by Mortgagor, and any such subsequent assignment by Mortgagor shall be subject to the rights of Mortgagee hereunder;

(G) TOGETHER WITH all right, title and interest of Mortgagor in and to the Leases, together with all security therefor and all cash, security deposits, escrow deposits and other monies payable thereunder, and all books and records owned by Mortgagor which contain evidence of payments made under the Leases and all security given therefor, subject, however, to the conditional permission hereinabove given to Mortgagor to collect the Rents arising under the Leases.

(H) TOGETHER WITH all inventory, accounts, accounts receivable, contract rights (including, without limitation, agreements with any architect, contractor, engineer, manager or leasing broker as well as any maintenance and service contracts), general intangibles, chattel paper, instruments, documents, notes,

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drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, guarantees or warranties, plans and specifications, arising from or related to the Mortgaged Property and any business conducted thereon or in relation thereto by Mortgagor, and all replacements and substitutions for, or additions to, all products and proceeds of, and all books, records and files relating to, any of the foregoing, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Mortgagor of, in and for the same.

(I) TOGETHER WITH all right, title, and interest of Mortgagor in and to all names under or by which all or any part of the Land or Improvements may at any time be operated or known, or all rights to carry on business under any such names are a variant thereof and all trademarks and servicemarks, tradenames, patents pending, copyrights (and registrations and renewals thereof) and goodwill associated therewith (including without limitation, those listed on Exhibit C attached hereto).

All of the mortgaged property described in Paragraphs (A), (B), (C), (D), (E), (F), (G), (H), and (I) above, and each item of mortgaged property therein described, is herein referred to as the "Mortgaged Property".

Mortgagor covenants that it is lawfully seized of the Mortgaged Property, that the same are unencumbered except for those exceptions described on Exhibit B attached hereto ("Permitted Exceptions") and that it has good right, full power and lawful authority to convey and mortgage the same, and that it shall warrant and forever defend said Mortgaged Property and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

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

IT IS HEREBY FURTHER UNDERSTOOD, ACKNOWLEDGED AND AGREED THAT:

## ARTICLE ONE

### COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees with Mortgagee as follows:

1.01 Performance under this Mortgage. Mortgagor shall perform, observe and comply with all the terms, provisions and conditions contained herein and in the Credit Documents.

1.02 Stamp Tax. Subject to any contrary provision in the Credit Agreement, if, by the laws of the United States of



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

1.03 Mortgagee's Performance of Defaulted Acts: Subrogation. In case Mortgagor fails to perform any of its covenants and agreements herein after notice of such failure given by Mortgagee to Mortgagor, Mortgagee may, but need not, make any payment or perform any act herein or therein required of Mortgagor, in any form and manner deemed expedient, and may, but need not, make full or partial payment of principal or interest on any encumbrance, claim, charge, lien or debt which in the reasonable judgment of Mortgagee may adversely affect or adversely affects the security of this Mortgage or be on a parity with or prior or superior hereto, and purchase, discharge, compromise or settle any encumbrance, claim, charge, lien or debt which in the reasonable judgment of Mortgagee may adversely affect or adversely affects the security of this Mortgage or be on a parity with or prior or superior hereto, or redeem from any tax sale or forfeiture affecting the Mortgaged Property or part thereof or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by Mortgagee to protect the Mortgaged Property and the lien hereof, shall be additional Liabilities secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate. Inaction of Mortgagee shall not be considered a waiver of any right accruing to it on account of any default on the part of Mortgagor. Should the proceeds of the Notes or any part thereof, or any amount paid out or advanced hereunder by Mortgagee, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance, claim, charge, lien or debt which in the reasonable judgment of Mortgagee may adversely affect or adversely affects the security of this Mortgage or be on a parity with or prior or superior hereto, then as additional security hereunder, Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

1.04 Indemnification and Waiver. Mortgagor hereby covenants and agrees to indemnify, defend and hold Mortgagee, its agents, employees and attorneys harmless from and against all suits, actions, damages, loss, costs and expenses, including, but not limited to, reasonable attorneys' fees, of every nature whatsoever arising from, in connection with, or in any way related

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to this Mortgage, the Mortgaged Property or any part thereof or interest therein, or the occupancy of the Mortgaged Property by Mortgagor, the operation or maintenance of the Mortgaged Property, the construction, use or operation of the Improvements or any other action or inaction by, or matter which is the responsibility of Mortgagor, any contractor, subcontractor or material supplier, engineer, or architect, and their agents or employees. Mortgagee may employ an attorney or attorneys to protect its rights hereunder, and in the event of such employment following any breach by Mortgagor, Mortgagor shall pay Mortgagee's reasonable attorneys' fees, costs and expenses incurred by Mortgagee, whether or not an action is actually commenced against Mortgagor by reason of its breach.

(b) Mortgagor waives any and all right to claim or recover against Mortgagee, its officers, employees, agents and representatives, for loss of or damage to Mortgagor, the Mortgaged Property or any part thereof, any of Mortgagor's other property or the property of others under Mortgagor's control from any cause insured against or required to be insured against by the provisions of this Mortgage.

(c) The Liabilities shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Mortgaged Property or any part thereof; or (ii) any restriction or prevention of or interference by any third party with any use of the Mortgaged Property or any part thereof.

1.05 Further Assurances. At any time and from time to time, upon Mortgagee's reasonable request, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Mortgagee, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and re-filed at such time and such offices and places as shall reasonably be deemed desirable by Mortgagee, any and all such further mortgages, instruments of further assurance, certificates and other documents as mortgagee may reasonably consider necessary or desirable in order to effectuate, complete, or perfect, or to continue and preserve the obligations of Mortgagor under this Mortgage and the lien of this Mortgage as a first lien and security interest (subject to the Permitted Exceptions) upon all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor, and unto all and every person or persons deriving any estate, right, title or interest under this Mortgage. Upon any failure by Mortgagor to do so, Mortgagee may make, execute, record, register, file, re-record, re-register or re-file any and all such mortgages, instruments, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor to do so. The lien and security interest thereof shall automatically attach, without further act, to all after-acquired

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property attached to and/or used in the operation of the Mortgaged Property or any part thereof.

1.06 (a) Security Agreement and Financing Statements. Mortgagor and Mortgagee agree: (i) that this Mortgage shall constitute a Security Agreement within the meaning of the UCC of the State of Illinois with respect to any property included in the definition herein of the words "Mortgaged Property", which property may not be deemed to form a part of the real estate described in Exhibit A or may not constitute a "fixture" (within the meaning of Section 9-313 of the UCC), including, without limitation, all building materials and maintenance materials now or hereafter installed or used or intended to be installed or used therein whether stored on the Land or elsewhere and all renewals and replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof, and all leases, letting devices, or other occupancy agreements, contracts, permits, plans, reports, sureties, designs, deposits, reserves, general intangibles and rights to payments of monies affecting the Mortgaged Property to the extent that such interests are deemed under law to be personal property or a chattel real and any other personal property of every nature whatsoever whether or not in the possession of Mortgagor, warehousemen, bailees or any other person and whether or not located on the Land or elsewhere constituting or intended to constitute part of the Mortgaged Property (said property, replacements, substitutions, additions and the proceeds thereof being sometimes herein collectively referred to as the "Collateral" and the balance of the Mortgaged Property being sometimes herein referred to as the "Real Property"); and (ii) that a security interest in and to the Collateral is hereby granted to Mortgagee; and (iii) that all of Mortgagor's right, title and interest therein are hereby assigned to mortgagee; all to secure payment of the Liabilities and to secure performance by Mortgagor of the terms, covenants and provisions hereof.

(b) If an Event of Default occurs under this Mortgage, Mortgagee, pursuant to the appropriate provisions of the UCC, shall have an option to proceed with respect to both the Real Property and the Collateral in accordance with its rights, powers and remedies with respect to the Real Property, in which event the default provisions of the UCC shall not apply. The parties agree that if Mortgagee shall elect to proceed with respect to the Collateral separately from the Real Property, Mortgagee shall have all remedies available to a secured party under the UCC and thirty (30) days (which Mortgagor agrees is a reasonable period of time) notice of the sale of the Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee shall include, but not be limited to, attorneys' fees and legal expenses incurred by Mortgagee. Mortgagor agrees that, without the written consent of Mortgagee, Mortgagor shall not remove or permit to be removed from the Mortgaged Property any of the Collateral except that so long as Mortgagor is not in default hereunder, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral when



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obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Mortgaged Property, but only upon replacing the same or substituting for the same other Collateral at least equal in value and utility to the initial value and utility of that disposed of and in such a manner that said replacement or substituted Collateral shall be subject to the security interest created hereby and that the security interest of Mortgagee shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby. Except as otherwise set forth in the Credit Agreement, Mortgagor covenants and represents that all Collateral now is, and that all replacements thereof, substitutions therefor or additions thereto, unless Mortgagee otherwise consents, shall be free and clear of liens, encumbrances, title retention devices and security interests of others.

(c) Mortgagor and Mortgagee agree, to the extent permitted by law, that: (i) all of the goods described within the definition of the word "Mortgaged Property" herein are or are to become fixtures on the Land, (ii) this instrument, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of Sections 9-313 and 9-402 of the UCC; and (iii) Mortgagor is the record owner of the Land. Mortgagor agrees that the filing of a Financing Statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing the express declaration and intention of the parties hereto, hereinabove stated, that everything used in connection with the production of income from the Mortgaged Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings, legal or equitable, shall be regarded as part of the real estate encumbered by this Mortgage irrespective of whether (i) any such item is physically attached to the Land or Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Mortgagee, or (iii) any such item is referred to or reflected in any such Financing Statement so filed at any time. Similarly, the mention in any such Financing Statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Mortgagor's interest as lessor in any present or future Leases or rights to Rents growing out of the use and/or occupancy of the Mortgaged Property, whether pursuant to lease or otherwise, shall never be construed as in any way altering any of the rights of Mortgagee as determined by this instrument or impugning the priority of Mortgagee's lien granted hereby or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of Mortgagee in the event any court or judge shall at any time hold with respect to (1), (2) or (3) that notice of Mortgagee's priority of interest to

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be effective against a particular class of persons, including, but not limited to, the federal government and any subdivision or entity of the federal government, must be filed in the UCC records.

(d) Mortgagor, upon request by Mortgagee from time to time, shall execute, acknowledge and deliver to Mortgagee, a separate Security Agreement, Financing Statement or other similar security instruments, in form satisfactory to Mortgagee, covering all property of any kind whatsoever owned by Mortgagor, which in the reasonable opinion of Mortgagee is essential to the operation of the Mortgaged Property and which constitutes goods within the meaning of the UCC or concerning which there may be any doubt whether the title to same has been conveyed by or security interest perfected by this Mortgage under the laws of the State of Illinois, and shall further execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any financing statement, affidavit, continuation statement or certificate or other document as Mortgagee may request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of this Mortgage and such security instrument. Mortgagor further agrees to pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing and re-filing of any such documents. Mortgagor shall from time to time, on request of Mortgagee, deliver to Mortgagee an inventory of the Collateral in reasonable detail.

## ARTICLE TWO

### DEFAULTS

2.01 Event of Default. Any of the following events shall be deemed an "Event of Default" hereunder:

(a) If Mortgagor fails to make any monetary payments due under this Mortgage, and such failure shall continue uncured for a period of five or more Business Days after written notice to Mortgagor;

(b) If Mortgagor defaults in the due performance or observance by it of any term, covenant, or agreement (other than those referred to in Section 2.01(a)) contained in this Mortgage, and if the same can be cured in 30 days, such default shall continue for a period of 30 days after written notice thereof to Mortgagor, or if the same cannot be cured in such 30-day period, but the same can in fact be cured, then Mortgagor shall not have commenced such cure within such 30-day period or having so commenced, shall not have cured such default within 180 days thereafter;

(c) Any transfer, conveyance, sale, lease, pledge, encumbrance, assignment, or other disposition of all or any part of the Mortgaged Property in violation of the terms of the Credit Agreement; or

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(d) The occurrence of any "Event of Default" under the Credit Agreement.

## ARTICLE THREE

### REMEDIES

3.01 Acceleration of Maturity. Upon the occurrence of any Event of Default hereunder, the whole of said principal sum of the Liabilities hereby secured shall, at once, at the option of Mortgagee, become immediately due and payable, together with accrued interest thereon, without any presentment, demand, protest or notice of any kind to Mortgagor, except as otherwise required herein or in the Credit Documents.

3.02 Mortgagee's Power of Enforcement. If an Event of Default shall have occurred, Mortgagee may, either with or without entry or taking possession as hereinafter provided or otherwise, and without regard to whether or not the Liabilities shall be due, and without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure or any other action for any default existing at the time such earlier action was commenced, proceed by any appropriate action or proceeding: (a) to enforce payment of the Notes and/or the other Liabilities or the performance of any term hereof or any other right; (b) to foreclose this Mortgage and to have sold, as an entirety or in separate lots or parcels or otherwise, the Mortgaged Property; and (c) to pursue any other remedy available to it at law or in equity. Mortgagee shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Mortgagee may determine.

3.03 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase all or any portion of the Mortgaged Property and, upon compliance with the terms of sale and applicable law, may hold, retain and possess and dispose of such Mortgaged Property in its own absolute right without further accountability.

3.04 Application of Indebtedness Toward Purchase Price. Upon any foreclosure sale, Mortgagee may apply any or all of the Liabilities toward the purchase price.

3.05 Partial Foreclosure. It is further agreed that upon the occurrence of an Event of Default, as an alternative to the right of foreclosure for the full amount of the Liabilities after acceleration thereof, Mortgagee shall have the right to institute partial foreclosure proceedings with respect to the portion of said Liabilities so in default, as if under a full foreclosure, and without declaring all of the Liabilities due (such proceeding being hereinafter referred to as a "partial foreclosure"), and provided that if foreclosure sale is made because of an Event of Default of a part of the Liabilities, such

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sale may be made subject to the continuing lien of this Mortgage for the unmatured part of the Liabilities; and it is agreed that such sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the unmatured part of the Liabilities, but as to such unmatured part, this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this Section. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Mortgagee may elect at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the Liabilities by reason of any Event of Default upon which such partial foreclosure was predicated or by reason of any other defaults, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosure without exhausting the right of full or partial foreclosure sale for any unmatured part of the Liabilities, it being the purpose to provide for a partial foreclosure sale of the Liabilities for any matured portion of the Liabilities without exhausting the power to foreclose and to sell the Mortgaged Property pursuant to any such partial foreclosure for any other part of the Liabilities whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

3.06 Expenses of Enforcement. In connection with any foreclosure of the lien hereof or any action to enforce any other remedy of Mortgagee under this Mortgage (whether or not such enforcement includes the filing of a lawsuit), Mortgagor agrees to pay (or to cause to be paid) 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 decree) 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 and value as Mortgagee may deem necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Mortgaged Property and the right to such fees and expenses shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment. All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Mortgaged Property or any part thereof (including without limitation the occupancy thereof or any construction work performed thereon), including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding whether or not an action is actually commenced, shall be immediately due



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and payable by Mortgagor, with interest thereon at the Default Rate

3.07 Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 3.06 hereof; and second, in the order of subparagraphs (i) - (iv) of Section 4.03 of the Credit Agreement.

3.08 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 of the Mortgaged Property. 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 Mortgaged Property or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder may be appointed as such receiver. Such receiver shall have power: (a) to collect the Rents during the pendency of such foreclosure suit and, in case of a sale and 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; (b) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the 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 Mortgaged Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the liabilities, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and (c) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property 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 to any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become on a party with or 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.

3.09 Assignment of Rents and Leases. (a) To further secure the liabilities, Mortgagor hereby sells, assigns and transfers unto Mortgagee all the Rents, now due and which may hereafter become due under or by virtue of any of the leases,

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whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the mortgaged property or any part thereof, which may be hereafter made or agreed to by Mortgagee under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such leases, and all the Rents thereunder, to Mortgagee, and not merely the passing of a security interest. Mortgagee hereby irrevocably appoints Mortgagee its true and lawful attorney in its name and stead solely for the purposes set forth herein (with or without taking possession of the mortgaged property as provided in Section 3.10 hereof) to rent, lease or let all or any portion of the mortgaged property to any party or parties at such rental and upon such terms as said Mortgagee shall, in its reasonable discretion, determine, and to collect all of said Rents arising from or accruing at any time hereafter, and now due or that may hereafter become due under each and every of the Leases, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Mortgagee would have upon taking possession pursuant to the provisions of Section 3.10 hereof.

(b) Nothing contained herein shall be construed as constituting Mortgagee a "mortgagee-in-possession" in the absence of the taking of actual possession of the mortgaged property by Mortgagee pursuant to Section 3.10 hereof. In the exercise of the powers herein granted Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagee.

(c) Mortgagee agrees to assign and transfer to Mortgagee all future leases upon all or any part of the mortgaged property and to execute and deliver, at the request of Mortgagee, all such further assurances and assignments in the mortgaged property as Mortgagee shall from time to time reasonably require.

(d) Although it is the intention of the parties that the assignment contained in this Section 3.05 shall be a present absolute assignment, it is expressly understood and agreed, that anything contained herein to the contrary notwithstanding, that Mortgagee shall not exercise any of the rights or powers conferred upon it by this Section until an event of default shall have occurred.

3.10 Mortgagee's Right of Possession in Case of Default. In any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, Mortgagee shall forthwith, upon demand of Mortgagee, surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of, the mortgaged property or any part thereof, personally, or by its agent or attorneys. In such event Mortgagee in its discretion may, with or without force

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Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases. Except to the extent caused by Mortgagee's gross negligence or willful misconduct, Mortgagee shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur by reason of its performance of any action authorized under this Section 3.10 and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part

and with or without process of law, as permitted by law, enter upon and take and maintain possession of all or any part of said mortgaged property, together with all documents, books, records, papers and accounts of Mortgagee or then owner of the mortgaged property relating thereto, and may exclude Mortgagee, its agents or servants, wholly therefrom and may, as attorney in fact or agent of Mortgagee, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the mortgaged property 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 reasonably be deemed proper or necessary to enforce the payment or security of the rents, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power: (a) to cancel or terminate any lease for any cause or on any ground which would entitle Mortgagee to cancel the same; (b) to elect to disaffirm any lease which is then subordinate to the lien hereof; (c) subject to the terms and conditions of such existing leases or tenancies, to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to leasees to extend or renew terms to expire, beyond the maturity date of the 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 provisions to be contained therein, shall be binding upon Mortgagee and all persons whose interests in the mortgaged property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the liabilities, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) to enter into any management, leasing or brokerage agreements covering the mortgaged property; (e) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the mortgaged property as to it may seem judicious; (f) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (g) to receive all of such rents, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter without notice to Mortgagee.

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

3.12 Waiver of Statutory Rights. To the full extent permitted by law, Mortgagee hereby agrees that it shall not apply for or avail itself of any appraisement, valuation, stay, extension or exemption laws, or any so-called "Mortatorium 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. To the full extent permitted by law, Mortgagee for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Mortgagee's interest in the property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgagee sold as an entirety. To the full extent permitted by law, Mortgagee hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagee, acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage.

3.11 Application of Income Received by Mortgagee. In the exercise of the rights and powers hereinabove conferred upon it by Section 3.09 and Section 3.10 hereof, shall have full power to use and apply the Rents in accordance with the Rental Assignment (Illinois).

to perform or discharge any of the terms, covenants or agreements of Mortgagee. Should Mortgagee incur any such liability, loss or damage, by its performance or nonperformance of actions authorized by this Section, or in the defense of any claims or demands, the amount thereof, including costs, expenses and attorneys' fees, together with interest on any such amount at the Default Rate shall be secured hereby, and Mortgagee shall reimburse Mortgagee therefor immediately upon demand.



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Mortgagor hereunder shall be implied from any delay or omission by Mortgagee to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. No acceptance of any payment of any one or more delinquent installments which does not include interest at the Default Rate from the date of delinquency, together with any required late charge, shall constitute a waiver of the right of Mortgagee at any time thereafter to demand and collect payment of interest at such Default Rate or of late charges, if any.

3.14 Suits to Protect the Mortgaged Property. Mortgagee shall have the power and authority (but not the duty) to institute and maintain any suits and proceedings as Mortgagee may deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or which violate the terms of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property, or (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Mortgagee's interest.

3.15 Proof of Claim. In the case of any receiver-ship, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding affecting Mortgagor or Borrower or any constituent partner in Mortgagor or Borrower, to the extent permitted by law, Mortgagee shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claim allowed in such proceedings for the entire amount due and payable under the Notes, this Mortgage and any other Credit Document, at the date of the institution of such proceedings, and for any amounts which may become due and payable after such date.

3.16 Discontinuance of Proceedings, Position of Parties Restored. If Mortgagee shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, or such proceedings shall have resulted in a final determination adverse to Mortgagee, then and in every such case Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceedings had occurred or had been taken.

3.17 Release. Upon payment in full of all principal and interest on the Notes, and payment and performance of all of the other Liabilities secured hereby, then this Mortgage shall be released. Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon Mortgagor's payment and discharge

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of all of the Liabilities secured hereby and Mortgagor's payment of any filing fee in connection with such release.

## ARTICLE FOUR

### MISCELLANEOUS PROVISIONS

4.01 Successors and Assigns. This Mortgage and all provisions hereof, shall be binding upon Mortgagor and all persons claiming under or through Mortgagor, and shall inure to the benefit of Mortgagee and the successors and assigns of Mortgagee. The word "Mortgagor" when used herein shall include: (a) the original Mortgagor named in the preambles hereof; (b) all said original Mortgagor's successors and assigns; and (c) all owners from time to time of the Mortgaged Property until the same are released by Mortgagee. The words "Mortgagee" when used herein shall include (a) the original Mortgagee named in the preambles hereof; and (b) all of said original Mortgagee's successors and assigns.

4.02 Notice. Except as otherwise expressly provided herein, all notices and communications provided for hereunder shall be in writing (including telegraphic, telex, facsimile, or cable communications) and telegraphed, telexed, sent by facsimile, cabled, or delivered:

if to Mortgagor:

Brookfield Retail Centers Inc.  
4340 Multifoods Tower  
Minneapolis, Minnesota 55402  
Attention: Corporate Secretary  
Facsimile No.: (612) 372-1510

if to Mortgagee:

DB U.K. Finance p.l.c.  
6 Bishopsgate  
London, England  
EC2P 2AT  
Attention: German International Group  
Facsimile No.: 001-44-71-971-7735

and

DB U.K. Finance p.l.c.  
c/o Deutsche Bank AG New York Branch  
31 West 52nd Street  
New York, New York 10019  
Attention: Credit Department  
Facsimile No.: (212) 474-8213

and

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4.05 Partial Invalidity. Mortgagor and Mortgagee intend and believe that each provision in this Mortgage complies with all applicable local, state and federal ordinances, statutes, laws, administrative or judicial decisions, or public policies. However, if any portion, provision or provisions of this Mortgage is found by a court of law to be in violation of any applicable local, state

It is understood and agreed, however, that with respect to subsequent purchasers and mortgagees without actual notice, the total amount of liabilities that may be so secured may decrease or increase from time to time, but the total unpaid balance so secured at any one time shall not exceed an amount equal to twice the face amount of the Notes, plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the mortgaged property, with interest on such disbursements at the Default Rate.

4.04 Disbursement of Loan Proceeds. Mortgagor covenants and agrees that the loan secured hereby is to be disbursed by Mortgagor in accordance with the provisions contained in the Credit Agreement. All advances and indebtedness arising and accruing under the Credit Agreement, or under any of the credit documents, from time to time, whether or not the resulting indebtedness secured hereby may exceed the face amount of the Notes, shall be secured hereby to the same extent as though said Credit Agreement were fully incorporated in this Mortgage, and the occurrence of any Event of Default under said Credit Agreement shall constitute an Event of Default under this Mortgage entitling Mortgagee to all of the rights and remedies conferred upon Mortgagee by the terms of this Mortgage. In the event of any conflict or inconsistency between the terms of this Mortgage and the Credit Agreement, the terms and provisions of the Credit Agreement shall in each instance govern and control.

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

Mortgagor or Mortgagee shall, from time to time, have the right to specify as the proper addressee and/or address for the purposes of this Mortgage any other address in the United States upon giving ten (10) days' written notice thereof. All such notices and communications shall, when telegraphed, telexed, sent by facsimile, or cabled, or sent by overnight courier, be effective when delivered to the telegraph company, cable company, or overnight courier, as the case may be, or sent by telex or facsimile, to the correct address for notice.

DB U.K. Finance p.l.c.  
c/o Deutsche Bank Realty Advisors, Inc.  
31 W. 52nd Street  
New York, New York 10019  
Attention: President  
Facsimile No.: (212) 474-7199





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4.14 Counterparts. This document may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgment pages may be detached from

4.13 Interpretation. In this Mortgage the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

4.12 Amendments. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought. Any agreement hereafter made by Mortgagor and Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

4.11 Mortgagee's Powers. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Mortgage upon any portion of the mortgaged property not then or heretofore released as security for the full amount of all of the liabilities, Mortgagee may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Mortgagee's option any parcel, portion or all of the mortgaged property, (v) take or release any other additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto. If the payment of the liabilities secured by this Mortgage or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the mortgaged property, shall be held to have assented to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse, if any, against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release.

4.10 Subrogation. To the extent that proceeds of the loan are used to pay any outstanding lien, charge or prior encumbrance against the mortgaged property, Mortgagee shall, at its election, be subrogated to any and all rights and liens by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released.

the real property, (ii) matters of creation, perfection and priority of the lien of this mortgage, and (iii) those procedural issues of remedies, foreclosure or sale which are required to be governed by the laws of the State of Illinois shall be governed thereby and construed in accordance therewith.

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By: [Signature]  
 Name: Edwin G. Nordholm  
 Title: Assistant Secretary

By: [Signature]  
 Name: Marvin E. Engelmann  
 Title: Vice President

BROOKFIELD RETAIL CENTERS INC

MORTGAGOR:

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

4.17 Statute of Limitations. The pleading of any statute of limitations as a defense to any obligation evidenced or secured by this Mortgage is hereby waived to the full extent permitted by law.

4.16 Additional Security. No other security now existing, or hereafter taken, to secure the liabilities shall be impaired or affected by the execution of this Mortgage; and all additional security shall be taken, considered and held as cumulative. The taking of additional security, execution of partial release of the security, or any extension of the time of payment of the indebtedness shall not diminish the force, effect or lien of this Mortgage and shall not affect or impair the liability of any maker, surety, guarantor or endorser for the payment of said indebtedness. In the event Mortgagee at any time holds additional security for any of the liabilities, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before, concurrently, or after a sale is made hereunder.

4.15 Debtor-Creditor Relationship. Nothing contained herein shall be deemed to create or construed to create a partnership, joint venture or any relationship other than that of debtor-creditor. Mortgagor and Mortgagee expressly disclaim any intent to create a partnership or joint venture pursuant to this Mortgage, any of the other Credit Documents, or any other document related hereto or thereto.

the counterparts and attached to a single copy of this document to physically form one document, which may be recorded.

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Property of Cook County Clerk's Office

MATTHEW G. KOVAC  
Notary Public, State of New York  
No. 31-4991337  
Qualified in New York County  
(Commission Expires Feb. 3, 1994)

Notary Public in and for the  
State of New York

Matthew G. Kovac  
Notary Public (Seal)  
My Commission Expires: 2/3/94

Given under my hand and official seal this 29 day of March, 1992.

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Harlow B. Bagelmann and Edwin B. Nordholm, as Vice President and Assistant Secretary of BROOKFIELD RETAIL CENTERS INC., a Minnesota corporation, signed the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.

STATE OF New York  
COUNTY OF New York  
§  
§  
§

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Exhibit A

LAND

Parcel 1:

Lot 1 in Chicago Place Resubdivision of the land, property and space within Block 46 (except the East 75.0 feet thereof) in Kinzie's Addition to Chicago in the North 1/2 of Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois. Permanent Real Estate Index Number 17-10-105-013.

Parcel 2:

Lots 3 and 4 (excepting all improvements from said lots as conveyed in the deed from Chicago Place Partnership to BCD-Illinois Resources Inc. recorded as Document 90 512 154; in the deed from BCD-Illinois Resources Inc. to Post and Powell Corporation recorded as Document Number 90 512 155; in the Deed from Post and Powell Corporation to Saks and Company recorded as Document Number 90 512 156; and in the deed from Saks and Company to Win Mergel, Inc. recorded as Document Number 91 001 574) in Chicago Place Resubdivision of the land, property and space within Block 46 (except the East 75.0 feet thereof) in Kinzie's Addition to Chicago in the North 1/2 of Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois. Permanent Real Estate Index Number 17-10-105-015.

Parcel 3:

Easements appurtenant to and for the benefit of parcels 1 & 2 as set forth in Article III of the Easement and Operating Agreement recorded October 5, 1990 as Document Number 90487310 made by and between Chicago Place Partnership, an Illinois corporation, Lasalle National Trust, N.A., successor to Lasalle National Bank as Trustee under Trust Agreement dated July 1, 1986 and known as Trust Number 111297, 700 Michigan Tower Partnership, an Illinois partnership, Saks & Company, a New York corporation and Post and Powell Corporation, a California corporation. Permanent Real Estate Index Number 17-10-105-016.



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- (All recording references are to documents recorded in the County Recorder's Office of Cook County, Illinois)
1. General and special taxes and assessments not yet due and payable.
  2. Terms, provisions, easements and conditions contained in the Easement and Operating Agreement dated October 5, 1990 and recorded October 5, 1990 as Document No. 90487310.
  3. Lease made by Chicago Place Partnership, an Illinois general partnership to Saks & Company, a New York corporation, a memorandum of which was recorded July 26, 1989 as Document No. 89342810 demising a portion of the land for a term of years commencing August 2, 1988 and ending on midnight on the 25th anniversary date of the opening date, as that term is defined in the lease, and all rights thereunder of Lessee or any party claiming by, through, or under Lessee. (Affects Parcel 2 of Exhibit A only)
  4. First Amendment to Lease recorded October 5, 1990 as Document No. 90487311. (Affects Parcel 2 of Exhibit A only)
- Right and option of Saks & Company, a New York corporation, to renew the Lease recorded July 26, 1989 as Document No. 89342810 and referred to in Paragraph 3 above, for 5 successive periods of 10 years each to follow consecutively after the initial term and such additional options to renew the term of Lease beyond the end of the last aforementioned 10 year renewal option as more particularly set forth in the Lease.

## PERMITTED ENCUMBRANCES

Chicago Mortgage

Exhibit B

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Property of Cook County Clerk's Office

The following trademarks, servicemarks and copyrights as described in the filings referenced below:

1. Servicemark 'Chicago Place' as registered under No. 62575 filed as of June 20, 1987 in the office of the Secretary of State of Illinois.
2. Servicemark 'Chicago Place' (stylized), as registered under No. 62576 filed as of June 20, 1987 in the office of the Secretary of State of Illinois.
3. Servicemark 'Onion Design' as registered under No. 62577 as of June 20, 1987 in the office of the Secretary of State of Illinois.
4. The work of visual art titled "Onionman", the copyright as to which was registered under Registration Nos. VAU125835 and VAU18636 dated July 16, 1990 in the United States Copyright Office.

Exhibit C