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NO. B22
June, 1993

COOK COUNTY, ILLINOIS
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CAUTION: Consult a lawyer before using or acting under this form. Neither the publisher nor the seller of this form makes any warranty with respect thereto, including any warranty of merchantability or fitness for a particular purpose.

THE GRANTOR

GARY W. VOOGT, MARRIED
TO CYNTHIA A. VOOGT
of the City TOWN of Orland Park County of COOK
State of ILLINOIS for the consideration of
TEN DOLLARS,
and other good and valuable considerations

CONVEY(S) _____ and QUIT CLAIM(S) _____ to
GARY W. VOOGT & CYNTHIA A. VOOGT
(NAME AND ADDRESS OF GRANTEE)

all interest in the following described Real Estate, the real estate situated in COOK County, Illinois,
commonly known as 8140 KRISTO LANE, (st. address) legally described as:

LOT 2 IN THE WOOD CREEK SUBDIVISION,
BEING A SUBDIVISION OF THE EAST 20 ACRES
(EXCEPT THE NORTH 15 ACRES) OF THE WEST 60
ACRES OF THE NORTH 1/2 OF THE NORTHEAST
1/4 OF SECTION 11, TOWNSHIP 36 NORTH,
RANGE 12, EAST OF THE THIRD PRINCIPLE
MERIDIAN, IN COOK COUNTY, ILLINOIS.

hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Permanent Real Estate Index Number(s): 27-11-211-011-00002
Address(es) of Real Estate: 8140 KRISTO LANE, ORLAND PARK, IL 60462

DATED this: 3rd day of AUGUST 1994

PLEASE PRINT OR TYPE NAME(S) BELOW SIGNATURE(S)
GARY W. VOOGT (SEAL) _____ (SEAL)
_____ (SEAL) _____ (SEAL)

State of Illinois, County of Cook ss. I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that

GARY W. VOOGT MARRIED TO CYNTHIA A. VOOGT,

IMPRESS SEAL

"OFFICIAL SEAL"

Margaret Harms

Notary Public, State of Illinois

My Commission Expires 5/20/96

personally known to me to be the same person whose name IS subscribed in the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal, this 3rd day of AUGUST 1994

Commission expires 5-20 1996 Margaret Harms
NOTARY PUBLIC

This instrument was prepared by GARY W. VOOGT
(NAME AND ADDRESS)

GARY W. + CYNTHIA A. VOOGT
(Name)
8140 KRISTO LANE
(Address)
ORLAND PARK IL
(City, State and Zip) 60462

SEND SUBSEQUENT TAX BILLS TO
GARY W. + CYNTHIA VOOGT
(Name)
8140 KRISTO LANE
(Address)
ORLAND PARK, IL 60462
(City, State and Zip)

94043760 7493954 1992

BOX 333-CF

232
94890357

ATTIX "RIDERS" OR REVENUE STAMPS HERE

94890357
I warrant a copy of this instrument to be filed for record in Cook County, Illinois, in accordance with the provisions of Section 4, of the Real Estate Transfer Act.

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Quit Claim Deed
INDIVIDUAL TO INDIVIDUAL

TO

GEORGE E. COLE®
LEGAL FORMS

Property of Cook County Clerk's Office

25303346

COOK COUNTY, ILLINOIS
PUBLIC RECORDS

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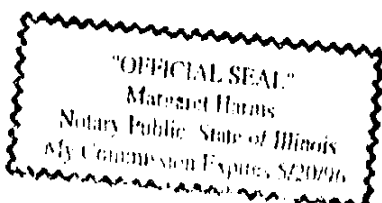
STATEMENT BY GRANTOR AND GRANTEE

The grantor or his agent affirms that, to the best of his knowledge, the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire title to real estate under the laws of the State of Illinois.

Dated Aug 3, 1994 Signature: [Signature]
Grantor or Agent

Subscribed and sworn to before me by the said Dary W. Hoogt this 3rd day of Aug, 1994.

Notary Public Margaret Harms

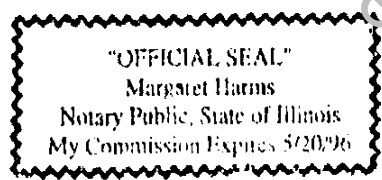


The grantee or his agent affirms and verifies that the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire and hold title to real estate under the laws of the State of Illinois.

Dated Aug 3, 1994 Signature: [Signature]
Grantee or Agent

Subscribed and sworn to before me by the said Dary W. Hoogt this 3rd day of Aug, 1994.

Notary Public Margaret Harms



NOTE: Any person who knowingly submits a false statement concerning the identity of a grantee shall be guilty of a Class C misdemeanor for the first offense and of a Class A misdemeanor for subsequent offenses.

[Attach to deed or ABL to be recorded in Cook County, Illinois, if exempt under provisions of Section 4 of the Illinois Real Estate Transfer Tax Act.]

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WHEREAS, pursuant to the provisions of the Indenture of Trust (the "Indenture") dated as of November 1, 1985, as amended, between Issuer and The First National Bank of Chicago as trustee (the "Trustee"), Bank is now providing a letter of credit (the "Letter of Credit") which constitutes an Alternate Letter of Credit (as such term is defined in the Indenture) in the stated amount of \$64,165,000 (the "Stated Amount") in substitution for the Mellon Letter of Credit, and Bank is to be substituted for Mellon in some of the Mortgage Loan documents;

WHEREAS, Borrower has agreed to reimburse Bank under the terms of that certain Letter of Credit Application and Reimbursement Agreement of even date herewith among Borrower, Bailey Apollo, and Bank (the "Reimbursement Agreement");

WHEREAS, it is a condition precedent to Bank's obligation to issue the Letter of Credit that the obligations of Borrower to Bank be secured by a mortgage and security agreement on the Project and the adjacent property;

NOW, THEREFORE, in order to further secure (a) the payment of all indebtedness and other obligations and liabilities of Borrower to Bank, whether now existing or hereafter arising, whether principal, interest, fees or otherwise (collectively the "Bank Obligations"), (b) the payment of all sums due or to become due to Bank under the terms of this Mortgage, and (c) the performance of all obligations, covenants and agreements contained in the Bank Credit Documents (as defined in the Reimbursement Agreement), and in consideration of the premises and the further sum of Ten Dollars (\$10.00) to Borrower in hand well and truly paid by Bank at and before the sealing and delivery hereof, the receipt and sufficiency whereof are hereby acknowledged, Borrower does hereby grant, mortgage, convey, alien, entfeoff, release, remise, confirm and warrant, and grant a security interest unto Bank, its successors and assigns, that certain tract of land situate in the City of Chicago, County of Cook, State of Illinois more particularly described in Exhibit A attached hereto and made a part hereof (the "Land").

TOGETHER with all right, title and interest of Borrower in and to the Land, and all easements or rights of way contiguous or adjoining and serving the Land and all other easements or rights inuring to the benefit of the Land.

TOGETHER with all the right, title and interest of Borrower in the tenements, hereditaments, appurtenances and all the estates and rights of Borrower in and to the Land.

TOGETHER with all the right, title and interest of Borrower in and to all streets, roads and public places, opened or

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proposed, adjoining the Land, and all easements and rights of way, public or private, now or hereafter used in connection with the Land.

TOGETHER with all right, title and interest of Borrower, now owned or hereafter acquired, in and to any land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Land to the extent of the interest of Borrower therein, now or hereafter acquired.

TOGETHER with all right, title and interest of Borrower, now owned or hereafter acquired, in and to any and all sidewalks and alleys, and all strips and gores of land, adjacent to or used in connection with the Land.

TOGETHER with all buildings, structures and improvements (the "Improvements") of every kind and description now or hereafter erected or placed on the Land.

TOGETHER with all right, title, and interest of Borrower, now owned or hereafter acquired, in and to any fixtures, fittings, appliances, apparatus, equipment, machinery, chattels, building materials, furnishings, furniture, goods, supplies and articles of personal property of every kind and character, together with the renewals, replacements and substitutions thereof, additions and accessions thereto (hereinafter collectively called the "Fixtures") now or at any time hereafter affixed to or attached to or placed upon or used in any way in connection with the complete and comfortable use, enjoyment or occupancy for operation and maintenance of the Improvements (excepting any personal property owned by any tenant occupying any of the Improvements to the extent the same does not become the property of Borrower under the lease or other agreement with such tenant or pursuant to applicable law), all of which now or hereafter so affixed, placed or used are intended to be subject to the lien of this Mortgage as if part of the real estate, and all cash and non-cash proceeds thereof, and all accounts, accounts receivable, contract rights (including without limitation all interests of Borrower in and to any sales contracts) plans, specifications, permits, licenses, and instruments relating to the Land, the Improvements, and any other portion of the Mortgaged Property.

TOGETHER with all right, title and interest of Borrower in and to any and all deposits made under any conditional bill of sale, chattel mortgage or security interest (other than that created hereby) to which any Fixtures are or shall be subject, and all deposits or payments made thereunder, together with the benefit of any payments now or hereafter made thereon.

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TOGETHER with all right, title and interest of Borrower as lessee under any and all leases relating to any Fixtures, together with any options to purchase the Fixtures which are subject to such leases and together with the benefit of any payments now or hereafter made thereon.

TOGETHER with all right, title and interest of the Borrower in and to the reversions, remainders, rents, issues and profits arising or issuing from the land and from the Improvements thereon, including, but not limited to, the rents, issues and profits arising or issuing from all leases and subleases now or hereafter entered into covering all or any part of said land and/or the Improvements, all of which leases, subleases, rents, issues and profits are hereby assigned and, if requested by Bank, shall be caused to be further assigned to Bank by Borrower. The foregoing assignment shall include without limitation cash or securities deposited under leases to secure performance by lessees of their obligations thereunder, whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more installments of rent coming due prior to the expiration of such terms. Bank, or any officer of Bank, is hereby irrevocably appointed attorney-in-fact for Borrower to collect such rents, issues and profits during the continuance of an Event of Default (hereinafter defined). Borrower will execute and deliver to Bank on demand such assignments and instruments as Bank may reasonably require to implement, confirm, maintain and continue the assignment hereunder.

TOGETHER with all right, title and interest of the Borrower in and to any and all awards, damages, payments and other compensation and any and all claims therefor and rights thereto which may result from taking or injury by virtue of the exercise of the power of eminent domain of or to, or any damage, injury or destruction in any manner caused to, the Land, the Improvements, or any part thereof, or from any change of grade or vacation of any street abutting thereon, or any proceeds of and general intangibles relating to any litigation, arbitration or other settlements relating to the HVAC system or any other Fixtures and other matters relating to the Improvements and the Land, all of which awards, damages, payments, compensation, claims, rights, and proceeds are hereby assigned, transferred and set over to Bank to the fullest extent that Borrower may under the law so do.

TOGETHER with all of Borrower's right, title and interest in and to all monetary deposits which Borrower has or will be required to give to any utility with respect to the utility services furnished or to be furnished to the Improvements and all contracts and agreements relative to the Land and to the construction, use and occupancy of the Improvements.

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TOGETHER with all right, title and interest of Borrower in and to all unearned premiums accrued, accruing or to accrue under any and all insurance policies now or hereafter obtained by Borrower.

TOGETHER with all proceeds of the conversion, voluntary or involuntary, of any or all of the foregoing into cash or liquidated claims, including without limitation, proceeds of insurance and condemnation awards.

TOGETHER with all books and records now or hereafter maintained by Borrower in connection with the operation of the Improvements and the Land and the right in the event of the exercise of any remedies hereunder to take and use the name by which the Mortgaged Property is then known or any variation of the words thereof, and the goodwill of Borrower with respect thereto.

All of which property and rights therein hereinabove described or mentioned, whether now or hereafter existing, together with all renewals, replacements or additions thereto or substitutions therefor, and all proceeds and products thereof, being hereinafter collectively called, the "Mortgaged Property".

TO HAVE AND TO HOLD the Mortgaged Property unto Bank, its successors and assigns, forever, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois (which rights and benefits are hereby expressly released and waived), for the uses and purposes herein set forth, together with all right to retain possession of the Mortgaged Property during the continuance of any Event of Default (as hereinafter defined).

AND at all times until all sums due under the Bank Credit Documents, including all sums now or hereafter due Bank under the terms hereof and thereof, are fully paid, together with all interest thereon, Borrower covenants, promises and agrees with Bank as follows:

ARTICLE I

Covenants As To Payment, Performance and Title

SECTION 1.01. Borrower shall pay or cause to be paid to Bank each and all of the Bank Obligations, whether principal, interest or otherwise, punctually as and when the same shall become due by the terms thereof or hereof or any other Bank Credit Documents. Borrower will fully and faithfully observe and perform all of the terms, provisions, conditions, covenants and agreements on the part of Borrower to be observed and performed under the Bank Credit Documents.

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SECTION 1.02. Borrower represents that: (i) Borrower has a good and valid fee simple estate in the Land, subject only to those matters set forth on Exhibit B attached hereto (the "Permitted Encumbrances") and the title retention agreements permitted by Section 6.22 of the Reimbursement Agreement; (ii) Borrower has good and marketable title to the Improvements, in fee simple, subject only to the Permitted Encumbrances and (iii) Borrower has good title to the Fixtures. Borrower shall not, without the prior written consent of Bank, which shall not be unreasonably withheld, install in or locate on the Mortgaged Property any Fixtures which are subject to any security interest, lien or title retention arrangement of any kind other than that created hereby. Borrower represents that neither the rents, issues and profits of the Mortgaged Property nor any part thereof have been previously assigned by Borrower or will be assigned hereafter by Borrower, except to Bank as further security for the obligations secured hereby and except as may be set forth in the Permitted Encumbrances. Borrower shall preserve such title as herein described and will forever warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever.

ARTICLE 2

Covenants As To Taxes, Assessments, Etc.

SECTION 2.01. Borrower will, prior to the date on which any interest or penalties shall commence to accrue thereon, pay, discharge and furnish or cause to be paid, discharged and furnished to Bank proper receipts for all taxes, general and special, water and sewer rent charges, excise levies, vault and other license or permit fees, city taxes, transit taxes, levies and assessments of every kind and all charges for utilities and utility services, and which may have been or may hereafter be charged, assessed, levied, confirmed, imposed upon, or grow or become due and payable out of, or in respect to, or against, the Mortgaged Property, or any part thereof, or any appurtenance thereto (collectively, the "Impositions"), by any lawful authority or public utility, which may become a lien thereon, unless the same shall have been fully paid to Bank as provided in Section 2.02 hereof.

SECTION 2.02. Unless such amounts are already then being deposited in escrow under the Original Phase I Mortgage, for so long as the Letter of Credit remains outstanding, Borrower will pay when due all taxes becoming due in August 1994; and thereafter commencing September 1, 1994 Borrower will pay or cause to be paid to Bank, contemporaneously with each monthly payment of principal and/or interest on the Mortgage Loan a sum equal to one-twelfth (1/12th) of the real estate taxes and

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premiums for insurance required by or pursuant to Article 3 hereof or such other amount as reasonably determined by Bank based upon when such payments become due and payable so as to enable Bank to pay the same before interest and penalties accrue thereon. Moneys collected hereunder shall be held by Bank and invested in an interest-bearing account at the Bank and any interest earned shall be credited to Borrower but shall remain in said account. If, pursuant to any provision of this Mortgage, the whole amount of the principal debt remaining or any installment of interest, principal or principal and interest becomes due and payable prior to its originally scheduled maturity or if an Event of Default occurs under Section 7.01 (g) or (h) of the Reimbursement Agreement, Bank shall have the right, at its election, to apply any amounts paid to Bank under this Section 2.02, with accrued interest thereon, in payment of the insurance premiums or tax payments for which the amounts were paid and which are then due and payable and, after such payment, Bank may apply any remaining funds against all or any part of the indebtedness secured by this Mortgage. If the real estate taxes and insurance shall exceed the estimate therefor, Borrower shall, within ten (10) days of receipt of Bank's notice of such deficiency and the calculation thereof, make good the deficiency. Borrower shall instruct the taxing authority and the insurance company that all bills are to be sent directly to Bank, but it shall also be Borrower's responsibility to insure that the Bank has been furnished with tax and insurance bills in sufficient time to enable Bank to pay such taxes and premiums, before interest and penalties accrue thereon; Bank is obligated to make such payments prior to the accrual of any interest or penalties being incurred, so long as it has received such bills and sufficient money (in immediately available funds) to do so. All of Borrower's interest in such deposits is hereby assigned by Borrower to Bank, and Borrower hereby grants Bank a security interest in such deposits, as additional security for the payment of the indebtedness secured hereby in the event that an Event of Default shall occur hereunder.

SECTION 2.03. Unless the same shall have been fully paid to Bank as provided in Section 2.02 hereof, Borrower, upon request of Bank, will furnish to Bank within sixty (60) days after the date when any Impositions would become delinquent, official receipts of the appropriate taxing authority or other authority to which the charge is payable, or other evidence reasonably satisfactory to Bank evidencing the payment thereof.

SECTION 2.04. To prevent default thereunder, Borrower will pay in full under protest in the manner provided by statute, any Imposition which Borrower may desire to contest, provided, however, that if deferment of payment of any such Imposition is

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required to conduct any contest or review, Borrower shall deposit the full amount thereof, together with an amount equal to the estimated interest and penalties thereon during the period of contest, with Bank. If by the terms of such statute, payment of the Imposition may be legally delayed pending the prosecution of any such contest or review without the incurrance of any lien or charge or penalty of any kind against the Mortgaged Property (as may be determined in Bank's reasonable judgment), Borrower or Bank, if paying such Impositions pursuant to Section 2.04 hereof may delay compliance without deposit or other security to Bank until the final determination of such proceeding. In any event, Borrower shall (and if Borrower shall fail so to do, Bank may, but shall not be required to, and for the purpose may use the monies deposited as aforesaid) pay all Impositions or may post equivalent security with Bank should Bank accept the alternative, notwithstanding such contest, if in the opinion of Bank, the Mortgaged Property shall be in danger of being forfeited or foreclosed.

SECTION 2.05. The certificate or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Imposition, of nonpayment of such Imposition shall be prima facie evidence that such Imposition is considered due and unpaid at the time of the making or issuance of such certificate, advice or bill.

SECTION 2.06. Notwithstanding anything in this Article 2 to the contrary, any exercise by Borrower of its contest rights in accordance with the provisions of the Original Phase I Mortgage if pursued in compliance with the requirements of the Original Phase I Mortgage shall satisfy the requirements of this Article 2 with respect to the property covered by the Original Phase I Mortgage.

ARTICLE 3

Insurance

SECTION 3.01. Borrower agrees, at Borrower's sole cost and expense, to keep the buildings, structures, improvements and Fixtures included in the Mortgaged Property insured at all times throughout the term of this Mortgage (including any period or periods of time during which any such buildings, structures, improvements or Fixtures are in the course of rehabilitation or construction) and to furnish the following to Bank:

A. During the course of any construction of the Improvements on the Mortgaged Property, builder's completed value risk insurance against "all risks of

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physical loss", including collapse and transit coverage, during construction of such Improvements, with deductibles not to exceed \$10,000, in non-reporting form, covering the total value of work performed and equipment, supplies and materials furnished.

B. Policies of insurance against loss or damage by fire, lightning, windstorm, explosion, riot, riot attending a strike, civil commotion, damage from aircraft and vehicles, and smoke damage and loss or damage from such hazards as are presently included in so-called "extended coverage" and against vandalism and malicious mischief and against such other insurable hazards including but not limited to flood, as, under good insurance practices, from time to time are insured against for improvements having similar functions and uses in the area where the Mortgaged Property is located. The amount of such insurance shall be not less than 100% of the "Full Replacement Cost" of such buildings, structures, improvements and fixtures without deduction for depreciation. "Full Replacement Cost," as used herein, means the cost of replacing all such buildings, structures, improvements and fixtures, exclusive of the cost of excavations, foundations and footings below the lowest basement floor. Such Full Replacement Cost shall be determined from time to time (but not more frequently than once in any 12 calendar months) at the request of Bank by an insurer or by an appraiser, engineer, architect or contractor designated by Borrower and approved in writing by Bank and paid by Borrower. No omission on the part of Bank to request any such determination shall relieve Borrower of any of its obligations under this Article 3. Each policy shall contain a "Replacement Cost Endorsement."

C. If required by Bank, policies of insurance against loss or damage to the major components of the air conditioning and/or heating system, fly-wooln, steam pipes, steam turbines, steam engines, steam boilers, other pressure vessels, high pressure piping and machinery, if any, such as are installed in the buildings and improvements in such amounts as the Bank may require. Such policies shall also insure against physical damage to the Mortgaged Property arising out of an accident covered thereunder.

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D. Policies of comprehensive general liability insurance on an occurrence basis against claims for bodily injury, including personal injury or death occurring upon or in the Mortgaged Property or the elevators therein and on or in the streets adjoining the Mortgaged Property to afford protection to the limit of not less than \$10,000,000 in the event of bodily injury, personal injury, or death of any number of persons or of damage to property arising out of one occurrence. Borrower and Bank shall be named insureds under such policies, as their interests may appear.

E. If the Land or any part thereof is situate in an area designated by the Federal Emergency Management Agency (or any successor thereto) as an area of special flood hazard for purposes of the National Flood Insurance Program, such policies of flood insurance as Bank shall reasonably request, so as to enable Bank to be in compliance with all regulatory requirements with respect to flood insurance coverage for the Mortgaged Property from time to time applicable to Bank.

F. Business interruption insurance and/or loss of "rental value" insurance for a period of 12 months in such amounts as are reasonably satisfactory to Bank.

G. Such other insurance on the Mortgaged Property or any replacements or substitutions therefor, or additions thereto, and in such amounts as may from time to time be reasonably required by Bank against other insurable hazards or casualties which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the height and type of buildings and improvements, their construction, location, use and occupancy.

SECTION 3.02. Borrower may effect for its own account any insurance not required under the provisions of this Mortgage, but any insurance effected by Borrower on the Mortgaged Property, whether or not required under this Article 3, shall be for the mutual benefit of Borrower and Bank, and shall be subject to all other provisions of this Article 3 and of Article 10 hereof and Borrower shall provide Bank written notice of such insurance prior to it being effected along with a photocopy of all such policies promptly upon their issuance.

SECTION 3.03. All insurance shall be subject to the reasonable approval of Bank as to insurance companies, amounts, content and form of policies and expiration dates, and shall contain a mortgage clause, in favor of Bank, in form and

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substance satisfactory to Bank. Such policies shall provide for the payment of all costs and expenses incurred by Bank in the event of any contested claim and shall not be cancelled or otherwise terminated without at least thirty (30) days prior written notice to Bank. By its acceptance hereof, Bank acknowledges that (a) contemporaneously with the execution hereof, Bank has approved as adequate and acceptable, the insurance policies delivered to Bank by Borrower evidencing the current insurance pertaining to the Mortgaged Property, and (b) during the term of this Mortgage, insurance companies with a Best's rating of A-VIII or better shall be acceptable to Bank for the purposes of this Article 3.

SECTION 3.04. Unless Bank is collecting installment amounts therefor pursuant to Section 2.02, or such amounts are being collected to be paid under the Original Phase I Mortgage, Borrower will deliver original certificates and copies of all such policies to Bank, and, not less than thirty (30) days prior to the expiration date of each such policy, will deliver to Bank a renewal policy or policies marked "premium paid" or accompanied by other evidence of payment satisfactory to Bank. Borrower will not permit any condition to exist on the Mortgaged Property which would wholly or partially invalidate the insurance thereon. In the event of the occurrence of any loss or damage to the Mortgaged Property, Borrower will give immediate written notice thereof to Bank, and Bank may make proof of loss thereof if not made promptly by Borrower. Bank may on behalf of Borrower adjust and compromise any claims under such insurance and collect and receive the proceeds thereof and endorse drafts and Bank is hereby irrevocably appointed attorney-in-fact of Borrower for such purposes. Bank shall apply such proceeds of all casualty insurance in accordance with the provisions of Article 10 of this Mortgage. Bank may deduct from such proceeds any expense reasonably incurred by Bank in collecting the same (including reasonable counsel fees).

ARTICLE 4

Repairs, Maintenance And Removal

SECTION 4.01. Except as provided in Article 6, Borrower will not cause or permit any building, structure or improvement or other property now or hereafter covered by the lien of this Mortgage and comprising a material (in Bank's reasonable determination) part of the Mortgaged Property to be removed, or demolished or structurally changed or altered, in whole or in part, or, except in the ordinary course of business, any Fixture comprising a material (in Bank's reasonable determination) part of the Mortgaged Property to be removed,

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saved or destroyed, without the prior written consent of Bank. Simultaneously with, or prior to, any such permitted removal any such Fixtures shall be replaced with other Fixtures to perform the function of the Fixtures removed and of a value at least equal to that of the Fixtures replaced and free from any title retention or security agreement or other encumbrance. By such removal and replacement Borrower shall be deemed to have subjected such Fixtures to the lien and security interest of this Mortgage. Borrower will not abandon or cause or permit any waste to the Mortgaged Property. Borrower will pay all license fees and similar municipal charges for the use of the Mortgaged Property and the vaults or other areas now or hereafter comprising part thereof or used in connection therewith and will not, unless so required by any governmental agency having jurisdiction, discontinue such use without prior written consent of Bank.

SECTION 4.02. Throughout the term of this Mortgage, Borrower, at its sole cost and expense, will take good care of the Mortgaged Property and the sidewalks, curbs and vaults, if any, located on or adjoining the Mortgaged Property and will keep the same in good order and condition, and make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, and unforeseen and foreseen. All repairs made by Borrower shall be equal in quality and class to the original work. The necessity for and adequacy of repairs to the buildings and improvements pursuant to this Article hereof shall be measured by the standard which is appropriate for facilities and buildings of similar construction and class, provided that Borrower shall in any event make all repairs necessary to avoid any structural damage or injury to the buildings, structures and improvements and to keep the buildings, structures and improvements in a proper condition for their intended uses.

SECTION 4.03. Borrower will permit Bank and Bank's representatives to enter the Mortgaged Property at reasonable times after reasonable notice to inspect the same and such inspections shall be conducted so as to not unreasonably disturb tenants or disrupt Borrower's operation of the Mortgaged Property. During the continuance of any Event of Default, Bank may, at its option, enter the Mortgaged Property to protect, restore or repair any part thereof. Bank shall not be liable to Borrower if it does enter the Mortgaged Property, except for damage caused through the unlawful act, gross negligence or willful misconduct of Bank.

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ARTICLE 5

Compliance With Laws, Ordinances, Etc.

SECTION 5.01. Subject to Section 5.02, throughout the term of this Mortgage, Borrower, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, courts, departments, commissions, boards and officers, any national or local Board of Fire Underwriters, or any other body exercising functions similar to those of any of the foregoing, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Mortgaged Property or any part thereof and the sidewalks, curbs and vaults located on or adjoining the Mortgaged Property or to the use or manner of use of the Mortgaged Property whether or not such law, ordinance, order, rule, regulation or requirement shall necessitate structural changes or improvements, or the removal of any encroachments or projections, ornamental, structural or otherwise, onto or over the streets adjacent to the Mortgaged Property, or onto or over property contiguous or adjacent thereto. Borrower shall not initiate or acquiesce in any zoning reclassification with respect to the Mortgaged Property without Bank's prior written consent.

SECTION 5.02. Borrower shall have the right, after prior written notice to Bank, to contest by appropriate legal proceedings diligently conducted in good faith, without cost or expense to Bank, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature referred to in Section 5.01 hereof, and which does not subject Bank to any criminal or civil liability, subject to the following:

(a) If by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith may legally be delayed pending the prosecution of any such proceeding without the incurrence of any lien or charge of any kind against the Mortgaged Property (as may be determined in Bank's sole judgment), Borrower may delay compliance therewith until the final determination of such proceeding.

(b) If any lien or charge against the Mortgaged Property would or might be incurred by reason of any such delay (as may be determined in Bank's sole judgment), Borrower nevertheless may contest as aforesaid and delay as aforesaid, provided Borrower

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- (i) furnishes to and maintains with Bank security, at all times reasonably satisfactory to Bank, against any loss or injury by reason of such contest or delay, and
- (ii) prosecutes such contest with due diligence.

SECTION 5.03. Borrower 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 Mortgaged Property, non-compliance with which may affect the security of this Mortgage, or which may impose any duty or obligation upon Borrower or any lessee or other occupant of the Mortgaged Property or any part thereof, and Borrower 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 or constituting any portion of the Mortgaged Property.

ARTICLE 6

Changes And Alterations By Borrower

SECTION 6.01. Subject to any provisions of Articles 10 or 11 hereof to the contrary, Borrower shall have the right from time to time during the term of this Mortgage to make, at its sole cost and expense, changes and alterations in or to the buildings, structures or improvements included in the Mortgaged Property, subject, however, to the following:

(a) No change or alteration involving an estimated cost of more than \$50,000, while this Mortgage shall remain unsatisfied of record, shall be undertaken without Bank's prior written consent, which consent shall not be unreasonably withheld.

(b) No change or alteration shall be undertaken until Borrower shall have procured and paid for, so far as the same may be required from time to time, all necessary permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction.

(c) Any structural change or structural alteration involving an estimated cost of more than \$10,000 shall be conducted under the supervision of an architect and/or engineer selected by Borrower and approved in writing by Bank, and no such structural change or alteration shall be made except in accordance with detailed plans and specifications and cost estimates prepared and approved in writing by such architect and/or engineer and approved in writing by Bank.

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(d) Any change or alteration shall, when completed, be of such a character as not to materially reduce the economic value of the Mortgaged Property below its value immediately before such change or alteration.

(e) Any change or alteration, once commenced, shall be made promptly (unavoidable delays excepted) and in a good and skillful manner and in compliance with all applicable permits and authorizations and building and zoning laws and with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers, any national or local Board of Fire Underwriters, or any other body hereafter exercising functions similar to those of any of the foregoing.

(f) Bank shall have the right to require Borrower, before commencement of work, to furnish to Bank a performance bond or other security reasonably satisfactory to Bank, in an amount at least equal to the estimated cost of any change or alteration, guaranteeing the completion thereof within a reasonable time, free and clear of all liens, encumbrances, chattel mortgages, conditional bills of sale, and other charges, and in accordance with the plans and specifications approved by Bank.

(g) Borrower shall pay to Bank all reasonable fees and expenses incurred by Bank in connection with such change or alteration, including but not limited to the reasonable fees and expenses of any architect selected by Bank to review the plans and specifications and inspect the work on behalf of Bank.

(h) No change or alteration shall, when completed, tie in or connect the Mortgaged Property with any other building, in whole or in part, or adjoining property unless Borrower shall have received the prior written consent of Bank, which consent shall not be unreasonably withheld.

This Article 6 is not intended to modify or supersede, but is subject to, the provisions of the Reimbursement Agreement and the Land Use Restriction Agreement with respect to the construction of certain improvements contemplated by the Reimbursement Agreement, all of which improvements shall be exempt from the requirements of this Section 6.01 and shall be constructed in accordance with the requirements of the Reimbursement Agreement.

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ARTICLE 7

Mechanics And Other Liens

SECTION 7.01. Borrower will pay, or bond, or cause to be paid or bonded, from time to time when the same shall become due, all claims and demands of mechanics, suppliers, laborers, and others which, if unpaid, might result in, or permit the creation of, a lien on the Mortgaged Property or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom. Borrower will do or cause to be done everything necessary so that the lien and priority hereof shall be fully preserved, at the cost of Borrower, without expense to Bank. The Bond must be with such company and in such amount as shall be reasonably satisfactory to Bank.

SECTION 7.02. Borrower will not create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, or other encumbrance of any nature whatsoever on the Mortgaged Property except as permitted in Section 6.15 of the Reimbursement Agreement.

SECTION 7.03. Except as otherwise permitted in Section 6.15 of the Reimbursement Agreement, Borrower will not, without the prior written consent of Bank, create or suffer to be created any security interest under the Illinois Uniform Commercial Code (the "Code"), together with any amendments or supplements thereto, or other encumbrance in favor of any party other than Bank, or, subject to Section 6.22 of the Reimbursement Agreement, create or suffer any reservation of title by any such other party, with respect to any fixtures, nor shall any such fixtures or property be the subject matter of any lease or other transaction whereby the ownership or any beneficial interest in any of such property is held by any person or entity other than Borrower (or Bank as provided herein). All such property shall be purchased for cash or in such manner that no lien shall be created thereon except the lien of this Mortgage, unless Bank shall agree in writing to the contrary before a contract to purchase any such property is executed provided, however, Bank's consent shall not be unreasonably withheld.

SECTION 7.04. Borrower will not create or permit to accrue upon all or any part of the Mortgaged Property any debt, lien or charge except (i) the Original Phase I Mortgage and the Original Lease Assignment; (ii) the Phase II/III Mortgage; the Second Phase I Mortgage, and the UDAG Documents, which liens shall be at all times subordinate to this Mortgage, as set forth in the Intercreditor Agreement, (iii) the covenants contained in the Land Use Restriction Agreement, to which this

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Mortgage is subject and junior, (iv) the lien of this Mortgage, and (v) any other liens permitted by Section 6.15 of the Reimbursement Agreement and shall promptly cause to be paid and discharged any lien or charge whatsoever (except as provided in clauses (i), (ii), (iii), (iv), and (v) above) which by any present or future law may be or become superior to or on a parity with this Mortgage, either in lien or in distribution out of the proceeds of any judicial sale of the Mortgaged Property or any part thereof, and any lien or charge not permitted by this Article 7.

SECTION 7.05. Notwithstanding the foregoing prohibition against mechanics' liens against the Mortgaged Property, Borrower, or any party obligated to Borrower to do so, may in good faith and with reasonable diligence contest the validity or amount of any mechanic's lien and defer payment and discharge thereof during the pendency of such contest, provided: (i) that such contest shall have the effect of preventing the sale or forfeiture of the Mortgaged Property or any part thereof, or any interest therein, to satisfy such mechanic's lien; (ii) that, within ten (10) days after Borrower has been notified of the filing of such mechanic's lien, Borrower shall have notified Bank in writing of Borrower's intention to contest such mechanic's lien or to cause such other party to contest such mechanic's lien; and (iii) that Borrower shall have obtained a title insurance endorsement over such mechanic's liens insuring Bank against loss or damage by reason of the existence of such mechanic's liens (without reduction of coverages afforded to Bank even if the title insurer lays a claim based upon such contested mechanic's liens).

SECTION 7.06. Notwithstanding anything in this Article 7 to the contrary, any exercise by Borrower of its contest rights in accordance with the provisions of the Original Phase I Mortgage if pursued in compliance with the requirements of the Original Phase I Mortgage shall satisfy the requirements of this Article 7 with respect to the property covered by the Original Phase I Mortgage.

ARTICLE 8

Use Of Property

SECTION 8.01. Borrower will use, or cause to be used, the Mortgaged Property principally and continuously as and for the uses contemplated by the Reimbursement Agreement and, with respect to Phase I, the Land Use Restriction Agreement. Borrower shall not use, or permit the use of the Mortgaged Property for any other principal use without the prior written

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consent of Bank. Borrower shall not use or permit the use of the Mortgaged Property or any part thereof for any other purpose which in the reasonable opinion of Bank would adversely affect the then value or character of the Mortgaged Property or any part thereof.

SECTION 8.02. Borrower shall not suffer or permit the Mortgaged Property, or any portion thereof, to be used by the public, as such, without restriction or in such manner as might reasonably tend to impair Borrower's title to the Mortgaged Property or any portion thereof, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Mortgaged Property or any portion thereof.

ARTICLE 9

Leases; Annual Statements

SECTION 9.01. Except as provided in Section 4 of the Assignment of Rents (as defined in the Reimbursement Agreement), any and all forms of leases (which, for purposes of this Article 9, shall include subleases) of all or any part of the Mortgaged Property shall be subject in all respects to the prior written approval of Bank and, with respect to Phase I, shall comply in all respects with any conditions contained in the Land Use Restriction Agreement. By its acceptance hereof, Bank acknowledges that (a) it has approved the leases pertaining to the Mortgaged Property as of the date of this Mortgage, and (b) the forms of such leases shall be acceptable forms for future leases, such forms of leases not requiring any further written approval of Bank.

SECTION 9.02. Borrower shall not materially modify, abridge or terminate (except for default by the tenant) any leases with respect to any commercial portion of the Mortgaged Property so as to change the term of any lease, increase the burdens of the lessor thereunder, or decrease any duties of the tenant thereunder, nor shall any surrender thereof be accepted by Borrower without the prior written consent of Bank, nor shall Borrower collect rent under any of said leases for more than one month in advance, (i) except upon the execution of a lease, provided that such advance rent in excess of one month's rent is to be applied to the rents at the beginning of the term of the lease or (ii) except as a security deposit to be applicable either against the rent due at the end of the term of the lease or repair of damages to the leased premises or to be refunded upon the expiration of the term thereof.

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SECTION 9.03. Upon written request of Bank, Borrower shall deliver to Bank, within forty five (45) days after the close of each quarter in each fiscal year of Borrower, a rent roll certified by Borrower showing each tenant, the term of the lease, the rentable area demised thereunder, the fixed annual rent (and percentage rent, if any) payable thereunder, and all items required in order to demonstrate compliance with the Land Use Restriction Agreement.

SECTION 9.04. At the option of Bank this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to any award in condemnation or insurance proceeds), to any and all leases of all or any part of the Mortgaged Property upon the execution by Bank of a unilateral declaration to that effect, and recording thereof, at any time hereafter, in the official records of the County where the Mortgaged Property is located. At the request of Borrower, Bank will negotiate in good faith to enter into a non-disturbance and attornment agreement satisfactory in all respects to Bank with all or any of the tenants.

SECTION 9.05. Every contract, written or oral, which Borrower shall make with any broker or leasing agent with respect to the leasing or sale of the Mortgaged Property or any part thereof, shall provide that the rights of such broker or agent to the commissions or other compensation payable thereunder shall be subject, subordinate and inferior to the rights of Bank, so that in the event of a sale of the Mortgaged Property pursuant to the exercise by Bank of the rights and remedies of Bank hereunder, Bank or the purchaser at such sale will be exonerated and discharged from all liability for the payment of any such commission or compensation.

SECTION 9.06. Borrower covenants and agrees that, except for the Permitted Encumbrances, no lease or any rentals under any lease, or any rents, issues or profits issuing from the Mortgaged Property, shall be sold, assigned, transferred, mortgaged, pledged or otherwise disposed of or encumbered, except to Bank, whether by operation of law or otherwise, without the prior written consent of Bank in each instance first had and obtained and any attempt to do so shall be null and void.

ARTICLE 10

Damage Or Destruction

SECTION 10.01. In case of casualty to the Mortgaged Property resulting in damage or destruction involving an estimated cost to repair of more than \$10,000, Borrower shall promptly give written notice thereof to Bank.

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SECTION 10.02. Regardless of the amount of any such damage or destruction, so long as all insurance proceeds are made available for repair under the terms of the Original Phase I Mortgage, Borrower shall at its sole cost and expense, and whether or not the insurance proceeds shall be sufficient for the purpose, restore, repair, replace, rebuild or alter the same as nearly as possible to its value, condition and character immediately prior to such damage or destruction or with such changes or alterations as may be made at Borrower's election in conformity with and subject to the conditions of Article 6 hereof. Such restoration, repairs, replacements, rebuilding or alteration shall be commenced promptly and prosecuted with reasonable diligence. If (i) estimates received, and/or made, by Bank disclose that the cost of restoration would be in excess of the amount of the insurance proceeds available therefor, or (ii) during the period of restoration by Borrower the amount of the insurance proceeds shall not be sufficient to complete such restoration, then in either of such events, Borrower shall deposit with the Trustee for deposit to the Construction Fund established pursuant to the Indenture, the amount required to complete such restoration or such other security as shall be satisfactory to Bank which amounts shall be applied, in accordance with the terms of Section 10.03, below.

SECTION 10.03. All proceeds of and payments under insurance policies with respect to any casualty event shall be paid to the Trustee for deposit to the Construction Fund established pursuant to the Indenture, and shall be applied first to payment of the actual costs, fees and expenses, if any, incurred in connection with adjustment of the loss and settlement with the insurance company. The remainder of such insurance proceeds shall be applied as provided for in the Original Phase I Mortgage, except that, to the extent that proceeds are applied to the repayment of the indebtedness secured thereby and said indebtedness is paid in full, then any excess proceeds will be applied to the indebtedness secured by this Mortgage.

SECTION 10.04. In no event shall the application of any insurance proceeds to any obligations of Borrower, whether or not then due or payable, postpone, abate or reduce any of the payments thereafter to become due under the Bank Credit Documents until all such payments are paid in full. If Bank shall acquire title to the Mortgaged Property either by virtue of a deed in lieu of foreclosure or a judicial sale thereof pursuant to proceedings under this Mortgage or otherwise, then all of Borrower's estate, right, title and interest in and to all insurance policies, including unearned premiums thereon and the proceeds thereof, shall vest in Bank.

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SECTION 10.05. Notwithstanding anything in this Article 10 to the contrary, upon the occurrence of a casualty as described above, Borrower shall have the option to pay in full all of the indebtedness owed in connection with the Bonds and any amounts then owed under the Bank Credit Documents, with the insurance proceeds being applied toward such payment so long as the Letter of Credit is returned to Bank for cancellation with no draws thereunder and, in such event, Borrower shall have no obligation to repair or restore any portion of the Mortgaged Property with said insurance proceeds.

ARTICLE 11

Condemnation

SECTION 11.01. Borrower shall give Bank immediate notice of any actual or threatened commencement of condemnation proceedings or the exercise of the right of eminent domain. In the event that the Mortgaged Property, or any part thereof, shall be taken in condemnation proceedings or by exercise of any right of eminent domain (hereinafter called collectively, "condemnation proceedings"), Bank may on behalf of Borrower participate in any such condemnation proceedings and may on behalf of Borrower and with Borrower's concurrence adjust, contest, accept, reject or compromise any proposed award and, without Borrower's concurrence, collect and receive the proceeds thereof and endorse drafts, and Bank is hereby irrevocably appointed attorney in fact of Borrower for such purposes. The decision of Bank with regard to the adjustment, contest, acceptance, rejection or compromise of any proposed award issued in connection with any condemnation proceedings shall be binding upon Borrower. The award that may be made in any such proceeding or the proceeds thereof shall be deposited with Trustee and distributed in the manner set forth in the Original Phase 1 Mortgage. The parties agree to execute any and all further documents that may be necessary in order to facilitate collection of any award or awards and the making of any such deposit with Trustee.

SECTION 11.02. In no event shall the application to any obligations secured hereby of any payment to the Trustee or Bank pursuant to this Article 11 postpone, abate or reduce any of the payments thereafter to become due under the Bank Credit Documents until all such payments are paid in full.

ARTICLE 12

Notices

SECTION 12.01. All notices, demands, requests and consents required under this Mortgage shall be in writing. All such notices, demands, requests and consents shall be deemed to be

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effective when delivered personally, or sent by overnight courier (with return receipt), telegraph or teletype, or three days after being sent by United States certified or registered mail with return receipt requested and postage prepaid, addressed (i) to Borrower at c/o Apollo Real Estate Advisors, L.P., 2 Manhattanville Road, Purchase, New York 10577, Attention: Mr. Edward Scheetz, with a copy to Bailey Realty Corporation, 1130 Connecticut Avenue, Washington, D.C. 20036, Attention: Mr. Bruce Fairty, (ii) to Bank at 111 Westminster Street, Suite 800, Providence, Rhode Island 02903, Attention: Commercial Real Estate/Loan Administration Manager or at such other address as any party may hereafter designate in writing to the other parties hereto.

SECTION 12.02. Except as provided in Section 12.01 hereof, if at any time during the term of this Mortgage more than one person or corporation shall be the owner of the Mortgaged Property, then any notices, demands or requests given by Bank to any one of such persons or corporations shall be deemed to have been duly given to Borrower for all purposes under this Mortgage, and any notices, demands or requests given by any one of such persons or corporations owning the Mortgaged Property to Bank shall be deemed to have been duly given by Borrower for all purposes under this Mortgage, it being the intention that each person or corporation owning the Mortgaged Property irrevocably designates all other such persons or corporations, or any one of them, as their, his, her or its agent for the purpose of giving and receiving all notices, demands and requests required to be given or received under the provisions of this Mortgage.

ARTICLE 13

Future Disbursements

SECTION 13.01. Under certain of the Bank Credit Documents disbursements will be made by Bank from time to time hereafter. Each such disbursement shall be secured hereby as if made on the date hereof and all such disbursements and all other obligations secured hereby from time to time outstanding under the Bank Credit Documents shall be secured hereby with the same effect as though said documents were fully incorporated in this Mortgage.

ARTICLE 14

Events Of Default And Remedies

SECTION 14.01. If any of the following events (herein called "Events of Default") shall occur and be continuing, that is to say:

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(a) if default shall be made in the payment when due of any of the Bank Obligations or any other obligation secured hereby, whether principal, interest or otherwise, and such default shall continue beyond any applicable period of grace provided with respect to such default in the instrument or document requiring such payment; or

(b) If default shall be made in the due observance or performance of any other covenant, condition or agreement on the part of Borrower contained in the Reimbursement Agreement or in any Bank Credit Document, other than this Mortgage, or if an Event of Default, as defined in the Reimbursement Agreement or any other Bank Credit Document, shall occur and such default or Event of Default shall continue beyond any applicable period of grace provided with respect to such default in the document under which it has occurred; or

(c) unless installment deposits therefor are being made to Bank or Trustee in amounts sufficient to pay for the insurance and Bank or Trustee receives statements regarding same, if Borrower shall fail to procure or maintain insurance on the Mortgaged Property pursuant to Section 3.01 hereof and such failure continues for more than five (5) days after Bank gives Borrower written notice in the same manner as other notices are to be given as provided in the Reimbursement Agreement; or

(d) if default shall be made by Borrower in the performance of, or compliance with, any of the other provisions, warranties, covenants, agreements, promises, terms or conditions contained in this Mortgage and such default shall continue for a period of twenty (20) days after notice thereof from Bank to Borrower, except that in the case of a default which cannot with due diligence be cured within such period of twenty (20) days, the time permitted Borrower within which to cure the same shall be extended for such period as may be necessary to cure the same with due diligence, provided Borrower commences within such twenty (20) days and proceeds diligently to cure the same but in any event not more than sixty (60) days; or

(e) if a default shall occur or exist under any prior or subsequent mortgage, lien or encumbrance upon any of the Mortgaged Property and shall continue past any applicable notice and/or grace periods so as to expose the Mortgaged Property to foreclosure or exercise of other remedies, except that defaults may occur under any of the Junior Mortgages (as defined in the Reimbursement Agreement) so long as the exercise of any remedies complies with the provisions of Section 6.12 of the Reimbursement Agreement;

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(f) If any of the events specified in Article 17 hereof shall occur or exist;

then during the continuance of any one or more of said Events of Default, the entire balance of the Bank Obligations, principal, accrued interest and all other sums secured hereby shall, at the option of Bank, become immediately due and payable, with the same force and effect as though the entire Stated Amount of the Letter of Credit had been drawn and the other obligations under the Bank Credit Documents had fully matured and become due and payable in full and payment had been refused, whether or not such Event of Default be thereafter remedied by Borrower, and during the continuance of such Event of Default (which will include the obligation to pay the entire balance of the Bank Obligations if they have been accelerated) Bank may forthwith and without further delay undertake any one or more of the following:

(1) Foreclosure. Institute an action of mortgage foreclosure, or take such other action as the law may allow, at law or in equity, for the enforcement thereof and realization on the mortgage security or any other security which is herein or elsewhere provided for, and proceed thereon to final judgment and execution thereon for the entire unpaid balance of the principal indebtedness, with interest, at the rates and pursuant to the methods of calculation specified in the Promissory Note (as defined in the Reimbursement Agreement) to the date of default and thereafter at the rate provided in the Reimbursement Agreement together with all other sums secured by this Mortgage, all costs of suit, including, but not limited to, attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title, as Bank may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree, the true conditions of the title to or the value of the Mortgaged Property, with interest at a rate which shall be 4% over the Prime Rate (as defined in the Reimbursement Agreement) (the "Default Rate") on any judgment obtained by Bank from and after the date of any Sheriff's Sale of the Mortgaged Property (which may be sold in one parcel or in such parcels, manner or order as Bank shall elect) until actual payment is made by the Sheriff of the full amount due Bank, and an attorneys' reasonable commission for collection, without further stay, any law, usage or custom to the contrary notwithstanding.

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(2) Entry. Bank personally, or by its agents or attorneys, may enter into and upon all or any part of the Mortgaged Property, and each and every part thereof, and may exclude Borrower, its agents and servants wholly therefrom without liability for trespass, damages or otherwise and Borrower agrees to surrender possession to Bank on demand during the continuance of any Event of Default; and having and holding the same, may use, operate, manage and control the Mortgaged Property and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, Bank, at the expense of the Mortgaged Property, from time to time, either by purchase, repairs or construction, may maintain and restore the Mortgaged Property, whereof it shall become possessed as aforesaid, may complete the construction of the buildings, structures and improvements and in the course of such completion may make such changes in the contemplated or completed buildings, structures and improvements as it may deem desirable and may insure the same; and likewise, from time to time, at the expense of the Mortgaged Property, Bank may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as to it may seem advisable; and in every such case Bank shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of Borrower with respect thereto either in the name of Borrower or otherwise as it shall deem best; and Bank shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof, and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation for the services of Bank and for all attorneys, counsel, agents, clerks, servants and other employees by it properly engaged and employed, Bank shall apply the moneys arising as aforesaid, to the reduction of the outstanding indebtedness secured by this Mortgage and any other sums required to be paid by Borrower under this Mortgage or under any other Bank Credit Document and shall pay any balance remaining, if any, to Borrower. For such purposes Borrower hereby authorizes any attorney of any court of record to appear for Borrower to sign an agreement for entering an amicable action of ejectment for possession of the Mortgaged Property, and to confess

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judgment therein against Borrower in favor of Bank, whereupon a writ may forthwith issue for the immediate possession of the Mortgaged Property, without any prior writ or proceeding whatsoever; and for so doing this Mortgage or a copy hereof verified by affidavit shall be a sufficient warrant.

(3) Receivership. 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 solvency or insolvency of Borrower or any other person who may be legally or equitably liable to pay moneys secured hereby 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 Bank hereunder may be appointed as such receiver. Borrower and each such person shall be deemed to have waived such proof and to have consented to the appointment of such receiver. Such receiver shall have the power to collect the earnings, revenues, income, rents, issues and profits of the Mortgaged Property during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when Borrower, except for the intervention of such receiver, would be entitled to collection of 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 Mortgaged Property during the whole of said period. Should Bank or any receiver collect earnings, revenues, rents, issues, profits or income from the Mortgaged Property, the moneys so collected shall not be substituted for payment of the debt nor can they be used to cure the default, without the prior written consent of Bank. Bank shall be liable to account only for earnings, revenues, rents, issues, profits and income actually received by Bank. The court may from time to time, authorize the receiver to apply the net income from the Mortgaged Property in his hands in payment in whole or in part of:

(a) The indebtedness and other obligations hereby secured or the indebtedness secured by any decree 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 the foreclosure sale and with the prior written consent of Bank; or

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(b) The deficiency in case of a sale and deficiency.

(4) Sale of personal property. This Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the State in which the Mortgaged Property is located (herein called the "Code") with respect to any part of the Mortgaged Property which may or might now or hereafter be or be deemed to be personal property or fixtures (all for the purposes of this section called "Collateral"); all of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Mortgaged Property; and the following provisions of this section shall not limit the generality or applicability of any other provision of this Mortgage but shall be in addition thereto:

(a) Borrower (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, except with respect to the items set forth on Exhibit D attached hereto and made a part hereof and with respect to those title retention agreements described in Section 6.22 of the Reimbursement Agreement.

(b) The Collateral is to be used by Borrower solely for business purposes, being installed upon the Mortgaged Property for Borrower's own use or as the equipment and furnishings furnished by Borrower as landlord, to tenants of the Mortgaged Property.

(c) The Collateral will be kept at the real estate comprising the Mortgaged Property, and no material (as reasonably determined by Bank) portion thereof will be removed from said real estate without the consent of Bank (being the Secured Party as that term is used in the Code) by Borrower or any other person; and the Collateral may be affixed to such real estate but will not be affixed to any other real estate.

(d) No financing statement covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant to the Original Phase I Mortgage, the Phase II/III Mortgage and the Second Phase I Mortgage, and

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except with respect to the items set forth on Exhibit B attached hereto and made a part hereof; and Borrower will at its own cost and expense, upon demand, furnish to Bank such further information and will execute and deliver to Bank such financing statement and other documents in form satisfactory to Bank and will do all such acts and things as Bank may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the indebtedness hereby secured, subject to no adverse liens or encumbrances except pursuant to the Original Phase I Mortgage, the Phase II/III Mortgage, the Second Phase I Mortgage or the debt secured thereby, and except with respect to the items set forth on Exhibit B attached hereto and made a part hereof; and Borrower will pay the cost of filing the same or filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Bank to be necessary or desirable.

(e) If an Event of Default shall occur and be continuing, Bank shall have the remedies of a secured party under the Code, including without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Bank shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Borrower's right of redemption in satisfaction of Borrower's obligations, as provided in the Code. Bank, without removal, may dispose of the Collateral on the Mortgaged Property. Bank may require Borrower to assemble the Collateral and make it available to Bank for its possession at a place to be designated by Bank which is reasonably convenient to both parties. To the

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extent that notice of sale shall be required to be given by Part 5 of Article 9 of the Code. Bank will give Borrower at least ten (10) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified mail or equivalent, postage prepaid, to the address of Borrower shown in Article 12 of this Mortgage at least ten (10) days before the time of the sale or disposition. Bank may buy at any public sale and if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Bank may buy at private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the real estate comprised within the Mortgaged Property, the Collateral and real estate to be sold as one lot if Bank so elects. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and the reasonable attorneys' fees and legal expenses incurred by Bank, shall be applied in satisfaction of the indebtedness secured by this Mortgage.

(f) The remedies of Bank hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of Bank, including having the Collateral deemed part of the realty upon any foreclosure thereof so long as any part of the indebtedness secured by this Mortgage remains unsatisfied.

(g) The terms and provisions contained in this section shall, unless the context or definitions contained in this Mortgage otherwise require, have the meanings and be construed as provided in the Code.

(5) Sale of the Mortgaged Property. Bank may sell any of the Mortgaged Property, not specifically designated as personal property and subject to subparagraph (4) above, in such a manner as it deems appropriate and in accordance with any applicable law. Bank shall apply the proceeds of

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any such sale first to the payment of the reasonable costs and expenses incurred by Bank in connection with such sale or collection, including reasonable attorneys' fees and legal expenses, second to the payment of the indebtedness secured hereby and the balance, if any, shall be paid to Borrower.

SECTION 14.02. During the continuance of any Event of Default hereunder, Bank in pursuance of the foregoing remedies, or in addition thereto, (i) shall be entitled to resort to its several securities for the payment of the sums secured hereby in such order and manner as Bank may think fit without impairing Bank's lien in, or rights to, any of such securities and without affecting the liability of any person, firm or corporation for the sums secured hereby, except to the extent that the indebtedness secured hereby shall have been reduced by the actual monetary consideration (including by Bank bidding in at a foreclosure or Code sale), if any, received by Bank from the proceeds of such security; (ii) may, in Bank's sole discretion, release for such consideration, or none, as Bank may require, any portion of the Mortgaged Property without, as to the remainder of the security, in anywise impairing or affecting the lien of this Mortgage, or the priority thereof, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the indebtedness secured hereby shall have been reduced by the actual monetary consideration, if any, received by Bank for such release; and/or (iii) may accept the assignment or pledge of any other property in place thereof as Bank may require without being accountable for so doing to any other lienor.

SECTION 14.03. To the extent permitted by law, Borrower hereby waives and releases (a) all errors, defects and imperfections in any proceedings instituted by Bank under this Mortgage, (b) all benefit that might accrue to Borrower by virtue of any present or future laws exempting the Mortgaged Property, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale under execution, or providing for any stay of execution, exemption from civil process, or extension of time for payment, (c) all benefits that might accrue to Borrower from requiring valuation or appraisal of any part of the Mortgaged Property levied or sold on execution of any judgment recovered for the indebtedness secured hereby, and (d) all notices not herein or elsewhere specifically required or required by applicable law, of Borrower's default or of Bank's exercise, or election to exercise, any option under this Mortgage. Borrower further agrees, to the extent permitted by law, to waive the issuance and service of process and agrees to enter its voluntary appearance in any action, suit or proceeding brought in

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connection with any Event of Default and if required by Bank, to consent to the appointment of a receiver or receivers of the Mortgaged Property and of all the earnings, revenues, rents, issues, profits and income thereof. Borrower will not at any time insist upon, or plead, or in any manner whatever, claim or take any benefit or advantage of any right under any statute heretofore or hereafter enacted to redeem the property so sold, or any part thereof, and Borrower hereby expressly waives all benefit or advantage of any such law or laws (including any and all rights of redemption from sale under any judgment or decree of foreclosure), and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Bank, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Borrower, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure hereof.

SECTION 14.04. No covenant, agreement, provision, term or condition of this Mortgage to be performed or complied with by Borrower, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Bank. No waiver of any breach shall affect or alter this Mortgage, but each and every covenant, agreement, provision, term and condition of this Mortgage shall continue in full force and effect with respect to any other than existing or subsequent breach thereof.

SECTION 14.05. Subject to the provisions of Section 18.01 hereof, in the event of any breach or threatened breach by Borrower of any of the covenants, agreements, terms or conditions contained in this Mortgage, Bank shall be entitled to seek to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though other remedies were not provided for in this Mortgage.

SECTION 14.06. In the event that Bank shall have the right to foreclose this Mortgage, Borrower authorizes Bank at its option to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants parties defendant to any such foreclosure proceeding and to foreclose their rights will not be asserted by Borrower as a defense to any proceeding instituted by Bank to collect the indebtedness secured hereby or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

SECTION 14.07. In the event of any foreclosure of this Mortgage or sale of the Mortgaged Property pursuant hereto, this Mortgage shall be foreclosed and the Mortgaged Property sold subject to the Original Phase I Mortgage and the rights of the holder(s) thereof.

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ARTICLE 15

Non Waiver, Etc.

SECTION 15.01. Any failure by Bank to insist upon the strict performance by Borrower of any of the terms, covenants, agreements, conditions and provisions hereof shall not be deemed to be a waiver of any of the terms, covenants, agreements, conditions, promises and provisions hereof, and Bank, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Borrower of any and all of the terms, covenants, agreements, conditions, promises and provisions of this Mortgage to be performed by Borrower. Neither Borrower nor any other person now or hereafter obligated for the payment of the whole or any part of the sums now or hereafter secured by this Mortgage shall be relieved of such obligation by reason of the failure of Bank to comply with any request of Borrower or of any other person so obligated to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage or of any obligations secured by this Mortgage, or by reason of the release, regardless of consideration, of the whole or any part of the security held for the indebtedness secured by this Mortgage, or by reason of any agreement or stipulation between any subsequent owner or owners of the Mortgaged Property and Bank extending the time of payment or modifying the terms of this Mortgage without first having obtained the consent of Borrower or such other person, and in the latter event, Borrower and all such other persons shall continue liable to make such payments according to the terms of any such agreement of extension or modification unless expressly released and discharged in writing by Bank. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien on the Mortgaged Property, Bank may release the obligation of anyone at any time liable for any of the indebtedness secured by this Mortgage or any part of the security held for the indebtedness and may extend the time of payment or otherwise modify the terms of this Mortgage, without, as to the security or the remainder thereof, in anywise impairing or affecting the lien of this Mortgage or the priority of such lien, as security for the payment of the indebtedness as it may be so extended or modified, over any subordinate lien. The holder of any subordinate lien shall have no right to terminate any lease affecting the Mortgaged Property whether or not such lease be subordinate to this Mortgage. For the payment of the indebtedness secured hereby Bank may resort to any other security therefor held by Bank in such order and manner as Bank may elect.

SECTION 15.02. If the payment of the indebtedness hereby

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secured, or any part thereof, be extended or varied by Bank and Borrower, 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 assent to such extension, variation or release, and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by Bank, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage, or other lien upon the Mortgaged Property or any interest therein, shall take said lien subject to the rights of Bank and Borrower herein to amend, modify and supplement this Mortgage and all Bank Credit Documents, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

SECTION 15.03. If any term or provision of this Mortgage or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Mortgage, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Mortgage shall be valid and be enforced to the fullest extent permitted by law.

SECTION 15.04. Any act to be performed by Borrower under this Mortgage or any other Bank Credit Document shall be performed by Borrower at Borrower's sole cost and expense.

SECTION 15.05. If Borrower shall fail to pay any impositions when and as required by Article 2 hereof, or fail to procure, pay for and deliver to Bank any policy or policies of insurance when and as required by Article 3 hereof, or fail to maintain, protect, restore or repair the Mortgaged Property as required by Article 4 hereof, or fail to pay and discharge any lien, encumbrance or security interest when and as required by Article 7 hereof, or fail to fully and timely perform any other obligation of Borrower hereunder or under any of the Bank Credit Documents, Bank shall be under no obligation to take action to correct such failures. However, at its option, Bank may, after reasonable notice to Borrower, take such action and expend such sums as Bank reasonably deems necessary to correct such failures or any consequences thereof, but such action or payment by Bank shall not constitute a waiver by Bank of the performance of said act, and Bank may (after expiration of applicable notice and cure periods) declare Borrower's failure to perform such act an Event of Default notwithstanding Bank's having undertaken the performance of the act.

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ARTICLE 16

General Covenants

SECTION 16.01. Borrower and Bank as to one another shall within three (3) days upon request in person or within ten (10) days upon request by mail furnish a duly acknowledged written statement in form reasonably satisfactory to the other setting forth the amount of the debt then secured by this Mortgage, and stating either that no offsets or defenses exist against the Mortgage indebtedness, or if such offsets or defenses are alleged to exist, the nature and extent thereof.

SECTION 16.02. Borrower shall promptly pay upon request and receipt of a reasonably detailed accounting of same, all expenses and costs reasonably incurred by Bank, including reasonable attorneys' fees, together with interest thereon at the Default Rate from the date of the payment thereof by Bank, in connection with any action, proceeding, litigation or claim instituted or asserted by or against Bank or in which Bank necessarily becomes engaged, including without limitation bankruptcy, reorganization, arrangements, receivership or similar proceedings, wherein it becomes necessary in the reasonable opinion of Bank to protect Bank's interest in the Mortgaged Property or the security afforded hereby, or to defend or uphold the lien of this Mortgage, or the validity or effectiveness of any assignment of any claim, award, payment, property damage insurance policy or any other right or property conveyed, encumbered or assigned by Borrower to Bank hereunder, or the priority of any of the same, and all such expenses and costs, and said interest thereon, shall be added to and become part of the principal indebtedness of Borrower hereunder and be secured in all respects hereby as if part of the original indebtedness evidenced by the Bank Credit Documents; provided, however that in any action to foreclose this Mortgage or to recover or collect the sums due hereunder the provisions of law and of this Mortgage relative to the recovery of costs, disbursements, commissions, allowances and attorneys' fees, shall prevail unaffected by this Section 16.02.

SECTION 16.03. In the event of the passage after the date of this Mortgage of any law of the State where the Land is located, deducting from the value of the Mortgaged Property for the purpose of taxation any lien thereon, or changing in any way the laws now in force for the taxation of mortgages, or debts secured thereby, for state or local purposes, or the manner of the operation of any such taxes so as to affect the interest of Bank (except for taxes on the overall net income of Bank imposed by the jurisdiction in which Bank's principal office is located), then and in such event, Borrower shall bear

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and pay the full amount of such additional taxes, provided that if for any reason payment by Borrower of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the loan or indebtedness secured hereby wholly or partially usurious under any of the terms or provisions of the Bank Credit Documents Bank may, at Bank's option, pay that amount or portion of such taxes as renders the loan or indebtedness secured hereby unlawful or usurious, in which event Borrower shall concurrently therewith pay the remaining lawful and non-usurious portion or balance of said taxes.

SECTION 16.04. This Mortgage creates a security interest in the Fixtures and other personalty referred to herein and, to the extent that any such Fixtures are not part of the real estate, shall constitute a security agreement under the Code. Borrower agrees to pay to Bank on demand all costs and expenses reasonably incurred by Bank in connection with the preparation, execution, recording, filing and refiling of any instrument or document which Bank may reasonably require in order to perfect and maintain Bank's security interest under the Code upon such collateral. Such costs and expenses are secured by this Mortgage. Borrower will execute and deliver to Bank on demand, and hereby irrevocably appoints Bank or any office of Bank the attorney-in-fact of Borrower to execute, deliver and file, such financing statements and other instruments as Bank may reasonably require in order to perfect and maintain such security interest under the Code upon said collateral.

SECTION 16.05. Wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word "Borrower" shall mean the party executing this instrument, its heirs, personal representatives, successors and assigns or any subsequent owner or owners of the Mortgaged Property, the word "Bank" shall mean the party to whom this Mortgage is given or any subsequent holder or holders of this Mortgage, the word "person" shall mean an individual, corporation, general partnership, limited partnership, unincorporated association, or any other legal entity, the word "indebtedness" shall mean the Bank Obligations, and the obligations, covenants and agreements of Borrower set forth herein and/or in any Bank Credit Document; the singular shall include the plural and the plural the singular; the masculine or feminine or neuter gender shall each include the other genders; all the covenants, waivers, warrants, promises and releases by and obligations or liabilities imposed upon Borrower shall bind them jointly and severally.

SECTION 16.06. This Mortgage cannot be changed except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

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SECTION 16.07. The captions of this Mortgage are for convenience and reference only and in no way define, limit or describe the scope or intent of this Mortgage nor in any way affect this Mortgage.

SECTION 16.08. This Mortgage shall be construed and enforced in accordance with the laws of the State of Illinois where the land is located.

SECTION 16.09. Borrower shall, at its sole cost and expense, promptly upon the reasonable request of Bank: (i) cooperate in the execution and delivery of any further deeds, conveyances, mortgages, assignments and further assurances, reasonably deemed necessary by Bank, to establish, confirm, maintain and continue (but not enlarge or increase) the lien created and intended to be created hereby, all assignments made or intended to be made pursuant hereto, and all other rights and benefits conferred or intended to be conferred on Bank hereby, and Borrower shall pay all reasonable costs incurred by Bank in connection therewith, including all filing and recording costs, cost of searches, and reasonable counsel fees incurred by Bank; and (ii) furnish Bank with a written certification signed by Borrower, as to all then existing leases covering any part of the Mortgaged Property, the names of the tenants, the rents payable thereunder and the dates to which such rents are paid, together with executed copies of all such leases.

SECTION 16.10. Borrower covenants and represents that (i) it is duly organized, existing and in good standing under the laws of the state in which it is organized, (ii) it is duly qualified to do business and is in good standing in the state in which the Mortgaged Property is located, (iii) it has the power, authority and legal right to carry on the business now being conducted by it and to engage in the transactions contemplated by this Mortgage and the Bank Credit Documents and (iv) the execution and delivery of and the carrying out of the transactions contemplated by this Mortgage, the execution and delivery of the Bank Credit Documents, and the performance and observance of the terms, covenants, agreements and provisions of all of the foregoing, have been duly authorized by all necessary actions of Borrower and will not conflict with or result in a breach of the terms or provisions of any existing law or any existing rule, regulation or order of any court or governmental body or of the Certificate of Limited Partnership or the Limited Partnership Agreement of Borrower.

SECTION 16.11. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies shall not be applied in

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rebuilding or restoring the Improvements, but shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the lender's loss payable clause attached to each of the casualty insurance policies may be canceled and that the decree creditor may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said decree creditor; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statutes in each such case made and provided, then in every such case, each and every successive redeemer may cause the preceding loss clause attached to each casualty insurance policy to be canceled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, Bank is hereby authorized, without the consent of Borrower, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Bank may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

SECTION 16.12. Borrower hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to decree, judgment or order of any court of competent jurisdiction; or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, excepting only decree or judgment creditors of Borrower acquiring any interest or title to the Mortgaged Property subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Borrower and of all other persons, are and shall be deemed to be hereby waived to the full extent permitted by the provisions of Chapter 735, Article 5/15 (Illinois Mortgage Foreclosure Law) of the Illinois Compiled Statutes. Borrower will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power or

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remedy herein or otherwise granted or delegated to Bank, but will suffer and permit the execution of every such right, power and remedy as though no such law or laws have been made or enacted.

SECTION 16.13. Borrower has heretofore executed and delivered to Bank by separate instrument an Assignment of Leases and Rents (the "Assignment") dated as of even date herewith, wherein and whereby, among other things, Borrower has assigned to Bank all of the rents, issues and profits of any and all leases and/or the rights of management of the Mortgaged Property, all as therein more specifically set forth, which said Assignment is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length. Borrower agrees that it will duly perform and observe all of the terms and provisions on its part to be performed and observed under the Assignment. Borrower further agrees that it will duly perform and observe all of the terms and provisions on lessor's part to be performed and observed under any and all leases of and parts of the Mortgaged Property to the end that no default on the part of lessor shall exist thereunder. Nothing herein contained shall be deemed to obligate Bank to perform or discharge any obligation, duty or liability of lessor under any lease of the Mortgaged Property, and, to the extent and in the same manner as provided for in the Assignment, but not otherwise. Borrower shall and does hereby indemnify and hold Bank harmless from any and all liability, loss or damage which Bank may or might incur under any lease of the Mortgaged Property or by reason of the Assignment; and any and all such liability, loss or damage incurred by Bank, together with the reasonable costs and expenses, including reasonable attorneys' fees, incurred by Bank in the defense of any claims or demands therefor (whether successful or not), shall be so much additional indebtedness secured by this Mortgage and the Borrower shall reimburse the Bank therefor as provided in the Assignment. Borrower further agrees that the Assignment is spread and extended to secure payment and performance of the Bank Obligations.

SECTION 16.14. In the event that the ownership of the Mortgaged Property becomes vested in a person or persons other than Borrower, Bank may, without notice to Borrower, deal with such successor or successors in interest of Borrower with reference to this Mortgage and the Bank Credit Documents in the same manner as with the Borrower. The Borrower will give immediate written notice to the Bank of any conveyance, transfer or change of ownership of the Mortgaged Property, but nothing in this Section 16.14 contained shall vary or negate the provisions of Article 17 hereof.

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SECTION 16.15. This Mortgage and each and every covenant, agreement and other provisions hereof shall be binding upon Borrower and its successors and assigns (including, without limitation, each and every record owner of the Mortgaged Property or any other person having an interest therein), and shall inure to the benefit of Bank and its successors and assigns.

ARTICLE 17

Transfer Of Mortgaged Property, Etc.

SECTION 17.01. It shall be an immediate Event of Default and default hereunder if, without the prior written consent of the Bank any of the following shall occur:

(a) Subject to applicable content rights, and except for the Permitted Encumbrances and except as permitted in Sections 6.12 or 6.15 of the Reimbursement Agreement, if Borrower shall create, effect or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Mortgaged Property or any part thereof, or interest therein;

(b) If Borrower is a partnership or joint venture, or if any beneficiary of a trustee Borrower is a partnership or joint venture, then if any general partner or joint venturer in such partnership or joint venture shall create, effect or consent to or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any part of the general partnership interest (except as permitted by the terms of Section 6.13 the Reimbursement Agreement) or joint venture interest, as the case may be, of such general partner or joint venturer; in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is affected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided that the provisions of this section shall not apply to leases and subleases approved by Bank or liens securing the indebtedness secured hereby further provided, that the sale of interests to limited partners, even though such sale shall diminish (but not below 5%) the interests of a general partner, shall not be prohibited by this Article 17. The provisions of this Section shall be

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binding upon any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Mortgaged Property, or such beneficial interest in, or general partnership or joint venture interest in, Borrower or any beneficiary of a trustee Borrower.

(c) Notwithstanding anything in this Article 17 or elsewhere in this Mortgage to the contrary, none of the following shall create a default or ever constitute an Event of Default under this Mortgage or any of the other Bank Credit Documents:

(i) any execution of any residential leases or subleases in connection with the Mortgaged Property as permitted by Section 4(viii) of the Assignment;

(ii) any transfers of interests within an entity consented to by Bank in writing as provided for in Section 6.13 of the Reimbursement Agreement.

(iii) a conveyance, assignment or other transfer with respect to a foreclosure or deed-in-lieu of foreclosure or other exercise of remedies by Balley Apollo as permitted in Section 6.12 of the Reimbursement Agreement;

(iv) the granting of any easements or execution of any agreements with respect to any portion of the Mortgaged Property for or in connection with the normal operation of the Mortgaged Property, including, without limitation, any utility easements, access easements, cable television easements and/or vending machine agreements.

ARTICLE 18

Limited Liability

SECTION 18.01. Notwithstanding anything in this Mortgage or in any of the other Bank Credit Documents or elsewhere stated or implied to the contrary, the liability of the partners of Borrower and any constituents thereof, and any parties other than Borrower, shall be limited as set forth in Section 8.13 of the Reimbursement Agreement, which Section is incorporated herein by this reference as if fully reproduced.

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ARTICLE 19

PROVIDED ALWAYS, that if Borrower shall pay all the sums secured by this Mortgage at the times and in the manner provided herein and in the Bank Credit Documents, if the Letter of Credit shall expire or be cancelled and returned with no unreimbursed draws thereunder, and if Borrower has paid to Bank all other obligations to Bank incurred under the Bank Credit Documents, then this Mortgage and the estate and interest hereby granted shall cease and have no further effect and be released; and in such case, Bank, on demand of and at the sole cost and expense of Borrower, shall execute proper instruments in recordable form acknowledging satisfaction and discharge of this Mortgage and shall release or assign all of Bank's right, title and interest of, in and to the Mortgaged Property, and shall deliver to Borrower any other property then pledged to and held by Bank pursuant to the terms of this Mortgage, including all policies of title, fire and property damage insurance theretofore furnished or assigned to Bank in accordance with this Mortgage.

ARTICLE 20

Prior Obligations

Notwithstanding any provisions of this Mortgage to the contrary, by its acceptance of this Mortgage, Bank acknowledges that the liens, assignments, security interests and provisions of the Original Phase I Mortgage, the Original Lease Assignment, and the Land Use Restriction Agreement (collectively, the "Superior Documents") are prior and superior to this Mortgage and the other Bank Credit Documents, and (a) no provisions of this Mortgage shall require Borrower to take any action or suffer any act which would cause a default or event of default under any of the Superior Documents, (b) no default or Event of Default shall exist or be created under this Mortgage as a result of Borrower's compliance with the provisions of the Superior Documents; to the extent that any of the requirements of this Mortgage are the same as any of the requirements of the Superior Documents (including, without limitation, with respect to any notices to be given to the Bank, cash deposits or other security to be provided by Borrower and/or insurance requirements to be satisfied), delivery and/or satisfaction of such items or requirements in accordance with the provisions of the Superior Documents shall constitute the simultaneous delivery and satisfaction of the similar requirements of this Mortgage, and no duplication of such items or requirements shall be required of Borrower.

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ARTICLE 21

Bank's Consent or Approval

Wherever the provisions of this Mortgage require the approval and/or consent of Bank ("Bank's Consent"), Bank agrees, by its acceptance of this Mortgage, that (a) Bank's Consent shall not be unreasonably withheld, delayed or conditioned, (b) any disapproval or denial of Bank's Consent shall be communicated to Borrower in writing within 20 business days of Bank's receipt of Borrower's written request therefor (which request shall also specifically include reference to this Article 21 requiring Bank's timely response) and shall state the reasons for such disapproval and/or withholding of Bank's Consent (which may include without limitation Bank's statement that it has not received all of the information which it needs to make a decision so long as the additional information needed is specified), and (c) any failure of Bank to deliver to Borrower within said 20 business day period any such notice of disapproval or withholding of Bank's Consent shall have the same effect as if Bank's Consent had been

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expressly granted, without any further evidence of Bank's Consent being required.

IN WITNESS WHEREOF, Borrower, intending to be legally bound hereby, has caused this Mortgage to be duly executed, as of the day and year first above written, intending the same to be a sealed instrument.

THE CHICAGO APARTMENTS, L.P.

By BAILEY APOLLO APARTMENTS I, L.P., its General Partner

By AP-NYGP, L.P., its General Partner

By AP-NYGP CORP., INC., its General Partner

By Lee Nelson
Print Name Lee Nelson
Title VP

STATE OF New York
COUNTY OF New York

I, Catherine A. Harrison, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Lee Nelson, the VP of AP-NYGP Corp., Inc., the general partner of AP-NYGP, L.P., the general partner of Bailey-Apollo Apartments I, L.P., the general partner of The Chicago Apartments, L.P., who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer and appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation and partnerships for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 3rd day of August, 1994.

Catherine A. Harrison
NOTARY PUBLIC
Print name Catherine A. Harrison

MY COMMISSION EXPIRES 8-19-95
Notary Public, State of New York
No. 41-4885444, Qualified in Queens County
Certificate Filed in New York County
Commission Expires August 19, 1995

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Phase I: 14-21-110-024, 025, 026, 027, 028, 029, 030, 031, 032, 033, 035, 036,
038, 039

Phase II: 14-21-110-033, 035, 035, 037

Address: 3660 N. Lake Shore Drive, Chicago, IL

EXHIBIT A

PROPERTY DESCRIPTION

"Phase I" consists of Parcels 1 and 2
PARCEL 1:

THAT PART OF LOTS 1 AND 2 IN EDWARD J. LEHMANN'S SUBDIVISION OF THE EASTERLY 50 FEET OF LOTS 1 AND 2 IN BLOCK 7 OF HUNDLEY'S SUBDIVISION OF LOTS 1 TO 21, INCLUSIVE AND LOTS 33 TO 37, INCLUSIVE IN PINE GROVE IN SECTION 21, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE 100 FEET EAST OF AND ADJOINING SAID LOTS 1 AND 2 IN BLOCK 7 OF SAID HUNDLEY'S SUBDIVISION AND WEST OF SHERIDAN ROAD, TOGETHER WITH THAT PART OF LOTS 1, 2, 3, 4, 12, 13 AND 14 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID, TOGETHER WITH THE LAND LYING EAST OF AND ADJOINING SAID LOTS 3 AND 4 IN BLOCK 7 AFORESAID AND LYING WEST OF THE WEST LINE OF SHERIDAN ROAD DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF LOT 2 IN EDWARD J. LEHMANN'S SUBDIVISION AFORESAID, 115.58 FEET SOUTHEASTERLY OF THE NORTHEAST CORNER OF LOT 1 IN SAID SUBDIVISION; THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF SAID LOTS 1 AND 2 FOR A DISTANCE OF 60.58 FEET; THENCE SOUTHWESTERLY 21.22 FEET TO A LINE 70.00 FEET SOUTHEASTERLY OF AND PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT 1 AND THE NORTHWESTERLY LINE OF LOT 1 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID; THENCE SOUTHWESTERLY ALONG SAID PARALLEL LINE, A DISTANCE OF 201.50 FEET; THENCE NORTHWESTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF LOTS 1 AND 2 IN LEHMANN'S SUBDIVISION AFORESAID, 70.00 FEET TO THE NORTHWESTERLY LINE OF LOT 1 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID; THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY LINE OF LOT 1 AND THE NORTHWESTERLY LINE OF LOT 14 IN SAID BLOCK 7 FOR A DISTANCE OF 333.81 FEET TO THE NORTHWEST CORNER OF SAID LOT 14; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINES OF LOTS 12, 13 AND 14 IN SAID BLOCK 7 FOR A DISTANCE OF 210.48 FEET TO THE SOUTHEASTERLY LINE OF THE NORTHERLY 50.00 FEET OF LOT 12; THENCE NORTHEASTERLY ALONG THE LAST DESCRIBED LINE FOR A DISTANCE OF 150.20 FEET TO THE SOUTHWESTERLY LINE OF THE NORTHEASTERLY 75.00 FEET OF LOT 12 AFORESAID; THENCE SOUTHEASTERLY ALONG THE LAST DESCRIBED LINE FOR A DISTANCE OF 50.07 FEET TO THE SOUTHEASTERLY LINE OF LOT 12 AFORESAID; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE OF LOT 12 FOR A DISTANCE OF 75.00 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF LOT 4 FOR A DISTANCE OF 20.00 FEET TO THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 30.00 FEET OF SAID LOT 4; THENCE NORTHEASTERLY ALONG THE LAST DESCRIBED LINE AND ITS NORTHEASTERLY EXTENSION FOR A DISTANCE OF 325.20 FEET TO THE SOUTHWESTERLY LINE OF SHERIDAN ROAD; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE FOR A DISTANCE OF 5.00 FEET TO THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 15.00 FEET OF LOT 4 AND ITS NORTHEASTERLY EXTENSION; THENCE SOUTHWESTERLY ALONG THE LAST DESCRIBED LINE FOR A DISTANCE OF 174.33 FEET TO A LINE 174.33 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE SOUTHWESTERLY LINE OF SHERIDAN ROAD; THENCE NORTHWESTERLY ALONG THE LAST DESCRIBED LINE FOR A DISTANCE OF 160.18 FEET TO A LINE 115.58 FEET SOUTHEASTERLY OF AND PARALLEL WITH THE NORTHWESTERLY LINE OF LOT 1 IN LEHMANN'S SUBDIVISION AFORESAID AND PARALLEL WITH THE NORTHWESTERLY LINE OF LOT 1 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID; THENCE NORTHEASTERLY ALONG SAID PARALLEL LINE FOR A DISTANCE OF 174.33 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS;

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PARCEL 2: (Easterly Footing Easement)

EASEMENT FOR THE BENEFIT OF PARCEL 1 AFORESAID AS SET FORTH IN DECLARATION OF RECIPROCAL EASEMENTS DATED NOVEMBER 1, 1985 AND RECORDED DECEMBER 4, 1985 AS DOCUMENT NO. 85308876, MADE BY MIDWEST BANK AND TRUST COMPANY, A CORPORATION OF ILLINOIS, AS TRUSTEE UNDER TRUST AGREEMENT DATED DECEMBER 27, 1983 AND KNOWN AS TRUST NUMBER 82124010 AND AS CREATED BY DEED TO MIDWEST BANK AND TRUST COMPANY, A CORPORATION OF ILLINOIS, AS TRUSTEE UNDER TRUST AGREEMENT DATED FEBRUARY 19, 1985 AND KNOWN AS TRUST NUMBER 85-024625 DATED NOVEMBER 1, 1985 AND RECORDED DECEMBER 4, 1985 AS DOCUMENT 85308877 FOR THE PURPOSE OF CONSTRUCTING UNDERGROUND FOUNDATIONS TO SUPPORT IMPROVEMENTS TO BE CONSTRUCTED ON PARCEL 1 AFORESAID OVER THE FOLLOWING DESCRIBED LAND:

A STRIP OF LAND 10.00 FEET IN WIDTH, THE WESTERLY LINE BEING DESCRIBED AS THAT PART OF LOTS 2, 3 AND 4 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION OF LOTS 3 TO 21, INCLUSIVE, AND LOTS 33 TO 37, INCLUSIVE, IN PINE GROVE, IN SECTION 21, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 20.00 FEET OF LOT 4, AFORESAID 150.87 FEET NORTH 59 DEGREES, 56 MINUTES, 51 SECONDS EAST OF THE SOUTHWESTERLY LINE OF SAID LOT 4; THENCE NORTH 30 DEGREES, 01 MINUTES, 31 SECONDS WEST 165.18 FEET TO THE TERMINUS OF SAID CENTER LINE, (EXCEPT THEREFROM THE SOUTHEASTERLY 5.00 FEET THEREOF), IN COOK COUNTY, ILLINOIS

PROPERTY OF Cook County Clerk's Office

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"Parcel II" consists of Parcels 1, 4, 4A and 4B

"Parcel III" consists of Parcels 5, 6 and 7

PARCEL 1:

THAT PART OF LOTS 1 AND 2 IN EDWARD J. LEHMANN'S SUBDIVISION OF THE EASTERLY 50 FEET OF LOTS 1 AND 2 IN BLOCK 7 OF HUNDLEY'S SUBDIVISION OF LOTS 3 TO 21, INCLUSIVE, AND LOTS 33 TO 37, INCLUSIVE, IN PINE GROVE IN SECTION 21, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND OF THE 100 FEET EAST OF AND ADJOINING SAID LOTS 1 AND 2 IN BLOCK 7 OF SAID HUNDLEY'S SUBDIVISION AND WEST OF SHERIDAN ROAD, TOGETHER WITH THAT PART OF LOTS 2, 3 AND 4 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID TOGETHER WITH THAT LAND LYING EAST OF AND ADJOINING SAID LOTS 3 AND 4 IN BLOCK 7 AFORESAID, AND LYING WEST OF THE WEST LINE OF SHERIDAN ROAD, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF LOT 2 IN LEHMANN'S SUBDIVISION AFORESAID 115.58 FEET SOUTHEASTERLY OF THE NORTHEAST CORNER OF LOT 1 IN SAID LEHMANN'S SUBDIVISION; THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF LOT 2 IN LEHMANN'S SUBDIVISION AND ALONG THE SOUTHWESTERLY LINE OF SHERIDAN ROAD FOR A DISTANCE OF 160.28 FEET TO THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 15.0 FEET OF LOT 4 AND ITS NORTHEASTERLY EXTENSION; THENCE SOUTHWESTERLY ALONG THE LAST DESCRIBED LINE FOR A DISTANCE OF 174.33 FEET TO A LINE 174.33 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE SOUTHWESTERLY LINE OF SHERIDAN ROAD; THENCE NORTHWESTERLY ALONG THE LAST DESCRIBED LINE FOR A DISTANCE OF 160.18 FEET TO A LINE 115.58 FEET SOUTHEASTERLY OF AND PARALLEL WITH THE NORTHWESTERLY LINE OF LOT 1 IN LEHMANN'S SUBDIVISION AFORESAID AND PARALLEL WITH THE NORTHWESTERLY LINE OF LOT 1 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID; THENCE NORTHEASTERLY ALONG SAID PARALLEL LINE FOR A DISTANCE OF 174.33 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

EASEMENT FOR THE BENEFIT OF PARCEL 3 AS CREATED BY DECLARATION OF GRANT OF RECIPROCAL EASEMENTS RECORDED DECEMBER 4, 1985 AS DOCUMENT NUMBER 85308876 OVER THE FOLLOWING DESCRIBED LAND:

PARCEL 4A: (Southerly Foundation and Access Easement)

THAT PART OF LOT 4 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION OF LOTS 3 TO 21, INCLUSIVE, AND LOTS 33 TO 37, INCLUSIVE, IN PINE GROVE IN SECTION 21, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THAT LAND LYING EAST OF AND ADJOINING SAID LOT 4 IN BLOCK 7 AFORESAID AND LYING WEST OF THE WEST LINE OF SHERIDAN ROAD, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 20.0 FEET OF LOT 4 AFORESAID 150.87 FEET NORTH 59 DEGREES 56 MINUTES 51 SECONDS EAST OF THE SOUTHWESTERLY LINE OF SAID LOT 4, THENCE NORTH 59 DEGREES 56 MINUTES 51 SECONDS EAST ALONG THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 20.0 FEET OF LOT 4 AFORESAID 174.33 FEET TO THE SOUTHWESTERLY LINE OF SHERIDAN ROAD; THENCE NORTH 30 DEGREES 01 MINUTES 31 SECONDS WEST ALONG SAID SOUTHWESTERLY LINE 5.0 FEET TO THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 15.0 FEET OF LOT 4 AND ITS NORTHEASTERLY EXTENSION; THENCE SOUTH 59 DEGREES 56 MINUTES 51 SECONDS WEST ALONG THE SOUTHEASTERLY LINE OF SAID NORTHWESTERLY 15.0 FEET OF LOT 4 AFORESAID AND ITS NORTHEASTERLY EXTENSION FOR A DISTANCE OF 174.33 FEET; THENCE SOUTH 30 DEGREES 01 MINUTES 31 SECONDS EAST 5.0 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS,

AND

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PARCEL 4B: (Waterway Easement)

A STRIP OF LAND 10.0 FEET IN WIDTH, THE EASTERLY LINE BEING DESCRIBED AS THAT PART OF LOTS 2, 3 AND 4 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION OF LOTS 3 TO 21, INCLUSIVE, AND LOTS 33 TO 37, INCLUSIVE, IN PINE GROVE IN SECTION 21, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 20.0 FEET OF LOT 4 AFORESAID 150.87 FEET NORTH 59 DEGREES 56 MINUTES 51 SECONDS EAST OF THE SOUTHWESTERLY LINE OF SAID LOT 4; THENCE NORTH 10 DEGREES 01 MINUTE 11 SECONDS WEST 165.18 FEET TO THE TERMINUS OF SAID CENTER LINE, (EXCEPT THEREFROM THE SOUTHEASTERLY 4.0 FEET THEREOF) IN COOK COUNTY, ILLINOIS.

PARCEL 5:

THAT PART OF LOTS 1 AND 2 IN EDWARD J. LEHMANN'S SUBDIVISION OF THE EASTERLY 50 FEET OF LOTS 1 AND 2 IN BLOCK 7 OF HUNDLEY'S SUBDIVISION OF LOTS 3 TO 21, INCLUSIVE, AND LOTS 33 TO 37, INCLUSIVE, IN PINE GROVE IN SECTION 21, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND OF THE 100 FEET EAST OF AND ADJOINING SAID LOTS 1 AND 2 IN BLOCK 7 OF SAID HUNDLEY'S SUBDIVISION AND WEST OF SHERIDAN ROAD, TOGETHER WITH THAT PART OF LOTS 1 AND 2 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 AFORESAID IN LEHMANN'S SUBDIVISION AFORESAID; THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF LOTS 1 AND 2 AFORESAID FOR A DISTANCE OF 55.0 FEET; THENCE SOUTHWESTERLY 21.22 FEET TO A LINE 70.0 FEET SOUTHEASTERLY OF AND PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT 1 AND PARALLEL WITH THE NORTHWESTERLY LINE OF LOT 1 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID; THENCE SOUTHWESTERLY ALONG SAID PARALLEL LINE FOR A DISTANCE OF 201.50 FEET; THENCE NORTHWESTERLY PARALLEL WITH THE NORTHEASTERLY LINE OF LOTS 1 AND 2 IN LEHMANN'S SUBDIVISION AFORESAID 70.0 FEET TO THE NORTHWESTERLY LINE OF LOT 1 IN HUNDLEY'S SUBDIVISION AFORESAID; THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE AND THE NORTHWESTERLY LINE OF LOT 1 IN LEHMANN'S SUBDIVISION AFORESAID 216.50 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 6: (Foundation Easement)

EASEMENT FOR THE BENEFIT OF PARCEL 5 AS CREATED BY DECLARATION OF GRANT OF RECIPROCAL EASEMENTS, RECORDED DECEMBER 4, 1985, AS DOCUMENT NUMBER 85302376 OVER THE FOLLOWING DESCRIBED LAND:

THAT PART OF LOT 1 IN EDWARD J. LEHMANN'S SUBDIVISION OF THE EASTERLY 50 FEET OF LOTS 1 AND 2 IN BLOCK 7 OF HUNDLEY'S SUBDIVISION OF LOTS 3 TO 21, INCLUSIVE, AND LOTS 33 TO 37, INCLUSIVE, IN PINE GROVE IN SECTION 21, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND OF THE 100 FEET EAST OF AND ADJOINING SAID LOTS 1 AND 2 IN BLOCK 7 OF SAID HUNDLEY'S SUBDIVISION AND WEST OF SHERIDAN ROAD, TOGETHER WITH THAT PART OF LOTS 1 AND 2 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID DESCRIBED AS FOLLOWS:

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BEGINNING AT A POINT IN THE EAST LINE OF LOT 1 IN EDWARD J. LEHMANN'S SUBDIVISION AFORESAID 55.0 FEET SOUTHEASTERLY OF THE NORTHEAST CORNER OF LOT 1 AFORESAID; THENCE SOUTHWESTERLY ALONG A LINE HEREINAFTER REFERRED TO AS LINE "A" FOR A DISTANCE OF 21.22 FEET TO A LINE 70.0 FEET SOUTHEASTERLY OF AND PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT 1 AND THE NORTHWESTERLY LINE OF LOT 1 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID; THENCE SOUTHWESTERLY ALONG SAID PARALLEL LINE HEREINAFTER REFERRED TO AS LINE "B" FOR A DISTANCE OF 201.5 FEET; THENCE NORTHWESTERLY ALONG A LINE HEREINAFTER REFERRED TO AS LINE "C" BEING PARALLEL WITH THE NORTHEASTERLY LINE OF LOT 1 IN EDWARD J. LEHMANN'S SUBDIVISION AFORESAID 70.0 FEET TO THE NORTHWESTERLY LINE OF LOT 1 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID; THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY LINE OF LOT 1 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION FOR A DISTANCE OF 10.0 FEET; THENCE SOUTHEASTERLY ALONG A LINE 10.0 FEET SOUTHWESTERLY OF AND PARALLEL WITH LINE "C" AFORESAID FOR A DISTANCE OF 70.0 FEET TO A LINE 8.0 FEET SOUTHEASTERLY OF AND PARALLEL WITH LINE "B" AFORESAID; THENCE NORTHEASTERLY ALONG SAID PARALLEL LINE 209.16 FEET TO A LINE 4.0 FEET SOUTHEASTERLY OF AND PARALLEL WITH LINE "A" AFORESAID; THENCE NORTHEASTERLY ALONG SAID PARALLEL LINE 24.54 FEET TO THE NORTHEASTERLY LINE OF LOT 1 IN EDWARD J. LEHMANN'S SUBDIVISION AFORESAID; THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE 5.56 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

PARCEL 7: (Easement for Future Parking)

EASEMENT FOR THE BENEFIT OF PARCEL 5 AFORESAID AS SET FORTH IN DECLARATION OF RECIPROCAL EASEMENTS DATED NOVEMBER 1, 1985 AND RECORDED DECEMBER 4, 1985 AS DOCUMENT NO. 85308876, MADE BY MIDWEST BANK AND TRUST COMPANY, A CORPORATION OF ILLINOIS, AS TRUSTEE UNDER TRUST AGREEMENT DATED DECEMBER 27, 1983 AND KNOWN AS TRUST NUMBER 82124010 FOR THE PURPOSE OF CONSTRUCTING, MAINTAINING, REPAIRING AND REPLACING A PARKING FACILITY OVER THE FOLLOWING DESCRIBED LAND:

THAT PART OF LOT 2 IN EDWARD J. LEHMANN'S SUBDIVISION OF THE EASTERLY 50 FEET OF LOT 1 AND 2 IN BLOCK 7 OF HUNDLEY'S SUBDIVISION OF LOTS 3 TO 21, INCLUSIVE AND LOTS 33 TO 37, INCLUSIVE, IN PINE GROVE IN SECTION 21, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND OF THE 100 FEET EAST OF AND ADJOINING SAID LOTS 1 AND 2 IN BLOCK 7 OF SAID HUNDLEY'S SUBDIVISION AND WEST OF SHERIDAN ROAD, TOGETHER WITH THAT PART OF LOTS 2, 3 AND 4 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID DESCRIBED AS FOLLOWS: COMMENCING AT A POINT IN THE EAST LINE OF LOT 2 IN LEHMANN'S SUBDIVISION AFORESAID 115.58 FEET SOUTHEASTERLY OF THE NORTHEAST CORNER OF LOT 1 IN SAID LEHMANN'S SUBDIVISION; THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF LOT 2 IN LEHMANN'S SUBDIVISION AND ALONG THE SOUTHWESTERLY LINE OF SHERIDAN ROAD FOR A DISTANCE OF 160.28 FEET TO THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 15.0 FEET OF LOT 4 AND ITS NORTHEASTERLY EXTENSION, THENCE SOUTHWESTERLY ALONG THE LAST DESCRIBED LINE FOR A DISTANCE OF 174.33 FEET TO A LINE 174.33 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE SOUTHWESTERLY LINE OF SHERIDAN ROAD AND THE POINT OF BEGINNING; THENCE NORTHWESTERLY ALONG THE LAST DESCRIBED LINE FOR A DISTANCE OF 160.18 FEET TO A LINE 115.58 FEET SOUTHEASTERLY OF AND PARALLEL WITH THE NORTHWESTERLY LINE OF LOT 1 IN LEHMANN'S SUBDIVISION AFORESAID AND PARALLEL WITH THE NORTHWESTERLY LINE OF LOT 1 IN BLOCK 7 IN HUNDLEY'S SUBDIVISION AFORESAID; THENCE SOUTHWESTERLY ALONG SAID PARALLEL LINE FOR A DISTANCE OF 122.0 FEET; THENCE SOUTH 30 DEGREES 01 MINUTES 31 SECONDS EAST ALONG A LINE DRAWN THROUGH A POINT ON THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 20.0 FEET OF LOT 4 AFORESAID (SAID POINT BEING 28.87 FEET NORTHEASTERLY OF THE SOUTHWESTERLY LINE OF LOT 4) FOR A DISTANCE OF 165.10 FEET TO THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 20.0 FEET OF SAID LOT 4; THENCE NORTH 59 DEGREES 56 MINUTES 51 SECONDS EAST ALONG THE LAST DESCRIBED LINE 122.0 FEET; THENCE NORTH 30 DEGREES 01 MINUTES 31 SECONDS WEST 5.0 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

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EXHIBIT B

Permitted Encumbrances

Those matters listed on the title insurance policy being issued for the benefit of the Bank on or about the date hereof by Chicago Title Insurance Company.

Property of Cook County Clerk's Office

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