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Document prepared by:

94200400

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7#8888 TRAN 7730 03/03/94 11:19:00
#8308 # JB # -94-200400
COOK COUNTY RECORDER

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

STATE OF ILLINOIS §
COUNTY OF COOK § KNOW ALL PERSONS BY THESE PRESENTS:
§

THAT, LA QUINTA INNS, INC. (formerly known as La Quinta Motor Inns, Inc.), a Texas corporation ("Mortgagor"), in order to secure the payment of the indebtedness hereinafter referred to and the performance of the obligations, covenants, agreements and undertakings of Mortgagor hereinafter described, does hereby MORTGAGE, GRANT, WARRANT, BARGAIN, SELL, CONVEY, TRANSFER, ASSIGN and SET OVER to NATIONSBANK OF TEXAS, N.A., a national banking association ("NationsBank Texas"), having its principal office at 901 Main Street, 67th Floor, Dallas, Texas 75202, as the administrative lender (in such capacity NationsBank Texas is called "Mortgagee") on behalf of NationsBank Texas, The Frost National Bank, Texas Commerce Bank National Association (successor to Texas Commerce Bank-San Antonio, N.A. through merger with and into Texas Commerce Bank National Association), First Interstate Bank of Texas, N.A., Bank of Scotland, Citicorp USA, Inc., Continental Bank N.A., Bank One, Texas, N.A. and U.S. Bank of Washington, National Association and each other lender which is hereafter a party to the Credit Agreement (as defined below) (collectively, "Lenders" and singly, a "Lender"), all of the real estate situated in the County of Cook and State of Illinois described in Exhibit A attached hereto and made a part hereof (the "Land"), together with (i) all the buildings and other improvements now on or that may be hereafter placed on the Land; (ii) Mortgagor's interest in all materials, equipment, fixtures or other property whatsoever, now or hereafter attached to, installed in, or used in connection with the buildings and other improvements now erected or hereafter to be erected on the Land, including, but not limited to, all heating, plumbing, lighting, water heating, cooking, laundry, refrigerating, incinerating, ventilating and air conditioning equipment, cable and satellite and earth-receiving systems for the reception and distribution of audio, video and data transmissions (whether owned individually or jointly with others), disposals, dishwashers, refrigerators and ranges, utility lines and equipment (whether owned individually or jointly with others), sprinkler systems, fire extinguishing apparatus and equipment, water tanks, engines, machines, elevators, motors, cabinets, shades, blinds, partitions, window screens, screen doors, storm windows, awnings, drapes, and rugs and other floor coverings, and all fixtures, accessions and appurtenances thereto, and all renewals or replacements of or substitutions for any of the foregoing, all of which property and things are hereby declared to be permanent fixtures and accessions to the freehold and part of the realty conveyed herein as security for the indebtedness herein mentioned; (iii) Mortgagor's interest in all easements and rights of way now or hereafter used in connection with any of the foregoing real estate or as a means of ingress to or egress from said real estate; (iv) Mortgagor's interest, now or hereafter acquired, in and to any streets, ways, alleys and/or strips and gores of land adjoining the Land or any part thereof; and (v) all rights, estates, hereditaments, powers and privileges appurtenant or incident to the foregoing.

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TO HAVE AND TO HOLD the foregoing property (the "Mortgaged Property") unto Mortgagee and its successors or substitutes and to its successors and assigns, upon the terms, provisions and conditions herein set forth.

In order to secure the payment of the indebtedness described in this Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement ("Mortgage") and the performance of the obligations, covenants, agreements and undertakings of Mortgagor described in this Mortgage, Mortgagor further grants to Mortgagee a security interest and lien in Mortgagor's right, title and interest in and to all present and future (i) goods, inventory, equipment, furnishings, fixtures, furniture, chattels owned by Mortgagor now or hereafter attached or affixed to or used in or about the building or buildings now erected or hereafter to be erected on the Mortgaged Property, or otherwise located on the Mortgaged Property, (ii) fixtures, accessions and appurtenances to any of the foregoing or following, (iii) renewals or replacements of or substitutions for any of the foregoing or following, (iv) building materials and equipment now or hereafter delivered to such premises and intended to be installed therein, (v) occupancy agreements, leases, rents (including security and other deposits and advance rentals under occupancy agreements and lease agreements now or at any time hereafter covering or affecting any of the Mortgaged Property and all property described in this Paragraph and held by or for the benefit of Mortgagor), fees, royalties, bonuses, issues, room rents, deposits for lodging, profits, revenues or other income or benefits of whatever nature received or due in connection with the Mortgaged Property and all property described in this Paragraph, (vi) monetary deposits which Mortgagor has been required to give to any public or private utility with respect to utility services furnished to the Mortgaged Property, (vii) money, funds, deposit accounts, instrument, documents and general intangibles arising from or related to the Mortgaged Property, (viii) notes or chattel paper arising from or by virtue of any transactions related to the Mortgaged Property and all property described in this Paragraph, (ix) permits, licenses, franchises, certificates, and agreements relating to the foregoing, and all other rights and privileges obtained in connection with the Mortgaged Property and all property described in this Paragraph, (x) plans, specifications, maps, surveys, reports, operating and management contracts, architectural, engineering, construction and development contracts, books of account, insurance policies, guarantees, warranties and other documents, of whatever kind or character, relating to the ownership, use, construction upon, occupancy, leasing, sale or operation of the Mortgaged Property and all property described in this Paragraph, (xi) oil, gas and other hydrocarbons and other minerals produced from or allocated to the Mortgaged Property and all products processed or obtained therefrom, the proceeds in reof, and all accounts and general intangibles under which such proceeds may arise, (xii) all proceeds from the taking of any of the Mortgaged Property and any property described in this Paragraph or any rights appurtenant thereto by right of eminent domain or by private or other purchase *in lieu* thereof, (xiii) all proceeds (including premium refunds) of each policy of insurance relating to the Mortgaged Property and any property described in this Paragraph, (xiv) all guarantees, sureties and other agreements assuring performance of any obligation of any tenant, licensee or other occupant of the Mortgaged Property or any part thereof and all property described in this Paragraph, and (xv) all proceeds arising from or by virtue of the sale, lease or other disposition of the Mortgaged Property and any property described in this Paragraph (all of the property described in this Paragraph hereinafter collectively called the "Personal Property") and all proceeds and products of the Personal Property. (The Mortgaged Property and the Personal Property are hereinafter sometimes collectively called the "Property").

ARTICLE I.

Secured Indebtedness

1.1. Secured Indebtedness. This Mortgage is made to secure and enforce the payment of the following agreements, documents, obligations, indebtedness and liabilities: (a) all present and future obligations, indebtedness and liabilities, and all modifications, renewals and extensions of all or any part thereof of Mortgagor to Mortgagee and Lenders arising from, by virtue of, or pursuant to the Amended and Restated Credit Agreement dated as of January 25, 1994 among Mortgagor, Mortgagee and Lenders (the Credit Agreement, as amended, modified,

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renewed, extended or restated from time to time, the "Credit Agreement"), the Revolving Credit Notes (as defined in the Credit Agreement, which facility permits the issuance of letters of credit) in the maximum aggregate principal amount of \$40,000,000 with an initial maturity of May 31, 1997 (unless the maturity is accelerated as provided in the Credit Agreement) and optional extensions of such maturity, the Term Loan Notes (as defined in the Credit Agreement) in the maximum aggregate principal amount of \$145,000,000 maturing May 31, 2000 (unless the maturity is accelerated as provided in the Credit Agreement) (the Revolving Credit Notes and the Term Loan Notes are the "Notes", which Notes accrue interest as described in the Credit Agreement), the L/C Related Documents (as defined in the Credit Agreement) and the other Loan Papers (as defined below) and (b) all indebtedness and obligations incurred or arising pursuant to the provisions of this Mortgage; provided, this Mortgage shall not secure any indebtedness or obligations arising under any Bond Document (as defined in the Credit Agreement). It is contemplated that Mortgagor may hereafter become indebted to Mortgagee and Lenders pursuant to the Credit Agreement. The indebtedness referred to in this Section 1.1 is hereinafter sometimes called the "Secured Indebtedness". This Mortgage, the Credit Agreement, the Notes and all other instruments, certificates, affidavits or documents evidencing, governing, securing, guaranteeing, or relating to the Secured Indebtedness, all as amended, modified, renewed, extended or restated from time to time, are hereinafter called the "Loan Papers".

1.2. *Maximum Amount.* It is expressly understood and agreed that the indebtedness hereby secured will in no event exceed 200% of (i) the total face amount of the Notes plus (ii) the amount of any L/C Related Documents (iii) interest which may accrue on the Notes and L/C Related Documents and (iv) any fees, costs or expenses payable hereunder.

ARTICLE II.

Representations and Warranties

2.1. *Representations and Warranties.* Mortgagor represents and warrants to Mortgagee and Lenders as follows:

(a) *Title and Authority.* Mortgagor is the lawful owner of good and indefeasible fee simple title to the Property, subject only to the matters described in Exhibit B attached hereto and made a part hereof (the "Permitted Encumbrances") and has good right and authority to grant, bargain, sell, transfer, assign and mortgage the Mortgaged Property and to grant a security interest in the Personal Property.

(b) *Compliance with Covenants and Laws.* The construction, occupancy, operation and use of the Property and the intended use thereof by Mortgagor (subject to the provisions of Article V) comply with all laws, statutes, ordinances, rules, regulations, orders and determinations of any governmental authority and any board of fire underwriters (or any body exercising similar functions) and any restrictive covenants or deed restrictions (whether recorded or otherwise), including, without limitation, all applicable zoning, subdivision, platting, licensing, building, flood disaster, statutes, ordinances, rules, regulations, orders and determinations of any governmental authority that pertain to the ownership of the Property and the conduct of business thereon by Grantor (hereinafter sometimes collectively called "Applicable Laws"), except where the failure to so comply could not impair the validity, enforceability or priority of this Mortgage or the liens and security interests granted hereunder or have a material adverse effect on (i) the consolidated financial condition or prospects of Mortgagor and any of its subsidiaries taken as a whole, (ii) the value of the Property taken as a whole, or (iii) Mortgagor's use of, and business operations of, the Property taken as a whole (hereinafter collectively called "Material Adverse Effect"). The Property and Mortgagor's operation of the Property comply with the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101, *et seq.*, and the regulations related thereto. Mortgagor has

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obtained all requisite zoning, utility, building, health, operating and occupancy permits from the governmental authorities having jurisdiction over the Property, except where the failure to obtain such zoning and permits would not have a Material Adverse Effect.

(c) *No Suits.* There are no judicial or administrative actions, suits, arbitrations or proceedings pending or, to the best of Mortgagor's conscious actual knowledge threatened, affecting the Property which, if adversely determined, would be reasonably likely to have a Material Adverse Effect, or involving the validity, enforceability or priority of this Mortgage.

(d) *Permitted Encumbrances.* The Property is free and clear from all liens, security interests and encumbrances except the lien and security interest evidenced hereby and the encumbrances and other matters set forth in Exhibit B. The Secured Indebtedness constitutes, in part, a renewal and modification of certain existing indebtedness of Grantor to Mortgagee and Lenders, which existing indebtedness is secured by certain deeds of trust, mortgages, assignments, security agreements, financing statements and/or other security documents heretofore executed and delivered by Grantor to, or for the benefit of, Mortgagee and/or Lenders, including, without limitation, any of such security documents as are described in Exhibit B attached hereto (collectively, the "Existing Collateral Documents"). Notwithstanding the execution and delivery by Grantor of this Mortgage, the Existing Collateral Documents are each hereby ratified and confirmed by Grantor, and same shall continue in full force and effect, as additional security for the Secured Indebtedness.

(e) *Condition of Property.* The Mortgaged Property is served by electric, gas, storm and sanitary sewers, sanitary water supply, telephone and other utilities required for the Mortgagor's current use thereof on the date hereof at or within the boundary lines of the Mortgaged Property. All streets, alleys and easements (including without limitation easements for ingress and egress, easements for vehicular traffic and parking and for pedestrian traffic, easements for utilities, and easements for reciprocal uses) necessary to serve Mortgagor's current use of the Mortgaged Property have been completed and are serviceable, such streets, alleys and easements have been dedicated and accepted by applicable governmental entities, and/or all agreements creating such easements have been filed of record in the real property records of Cook County, Illinois. The Mortgaged Property is in reasonably good condition and repair and proper working order, and is free from damage caused by fire or other casualty. Mortgagor has no actual knowledge of any latent or patent structural or other significant defect or deficiency in the Mortgaged Property that (i) would materially and adversely affect Mortgagor's intended use of the Mortgaged Property or (ii) have a Material Adverse Effect. None of the Mortgaged Property is within a flood plain. None of the improvements on the Mortgaged Property create an encroachment over, across or upon any of the Mortgaged Property boundary lines, rights of way or easements, and no buildings or other improvements on adjoining land create such an encroachment, except as disclosed on the survey of the Land delivered to Mortgagee. There is, to the actual knowledge of Mortgagor, no condemnation proceeding pending or threatened that would affect the Mortgaged Property.

(f) *Warranty.* Mortgagor will warrant and forever defend the title to the Mortgaged Property against the claims of all persons whomsoever claiming or to claim the same or any part thereof, subject to the Permitted Encumbrances.

(g) *Business Loan.* The Secured Indebtedness will be used for the purposes specified in 815 ILCS 205/4, and the principal evidenced by the Loan Papers constitutes a business loan.

2.2. *Covenants and Agreements.* So long as the Secured Indebtedness or any part thereof remains unpaid, Mortgagor covenants and agrees with Mortgagee, Mortgagee and Lenders as follows:

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(a) *Taxes on Lien.*

In the event of the existence, at any time, of any law of the State of Illinois or of any other governmental entity deducting from the value of property for the purpose of taxation any lien or security interest thereon, or imposing upon Mortgagee or any Lender the payment of the whole or any part of the taxes (other than taxes imposed on the overall income of Lenders or Mortgagee) or assessments or charges or liens herein required to be paid by Mortgagor, or relating to the taxation of deeds of trust or mortgages or security agreements or debts secured by deeds of trust or mortgages or security agreements or the interest of the mortgagee or secured party in the property covered thereby, or the manner of collection of such taxes, so as to affect this Mortgage or any of the Secured Indebtedness or Mortgagee or any Lender, then, and in any such event, Mortgagor, upon demand by Mortgagee or any Lender, shall to the extent not prohibited by Applicable Law, pay such taxes, assessments, charges or liens, or reimburse Mortgagee or such Lender therefor.

(b) *Ad Valorem Taxes.* Mortgagor will cause to be paid prior to delinquency all taxes and assessments heretofore or hereafter levied or assessed against the Property, or any part thereof, and upon request of Mortgagee will furnish Mortgagee with receipts showing payment of such taxes and assessments prior to the applicable delinquency date therefor; except that Mortgagor in good faith may contest, by appropriate proceedings, the validity, applicability or amount of any asserted tax or assessment, and, pending such contest, Mortgagor shall not be deemed in Default hereunder if, prior to delinquency of the asserted tax or assessment, Mortgagor establishes an escrow, or provides security reasonably acceptable to Mortgagee, or reserves have been established adequate to cover the payment of such tax or assessment with costs, interest and penalties and a reasonable additional sum to cover possible costs, interest and penalties (which escrow and/or security shall be returned to Mortgagor upon payment of all such taxes, assessments, costs, interest and penalties), and if Mortgagor promptly causes to be paid any amount adjudged by a court of competent jurisdiction to be due, with all costs, interest and penalties thereon, promptly after such judgment becomes final; provided, however, that in any event each such contest shall be concluded and the tax assessment, costs, interest and penalties shall be paid prior to the date any writ or order is issued under which the Property may be sold. No reserve (or security required in Section 2.2(d)) is required until such time that the aggregate of alleged unpaid ad valorem taxes on all properties of Mortgagor which secure the Secured Indebtedness and all unpaid debts described in Section 2.2(d) shall exceed \$100,000.

(c) *Operation of Property.* Mortgagor will operate, and will cause the operation of, the Property in a reasonably good and workmanlike manner and in accordance with all Applicable Laws and will pay all fees or charges of any kind in connection therewith, except where the failure to so operate and pay such fees or charges would not have a Material Adverse Effect. Mortgagor will keep, and will cause the keeping of, the Property occupied to the extent necessary not to impair the insurance carried thereon. Mortgagor will not use or occupy, or allow the use or occupancy of, the Property in any manner which violates any Applicable Law, or except where the failure to so occupy would not have a Material Adverse Effect, which constitutes a public or private nuisance or which makes void, voidable or cancelable, any insurance then in force with respect thereto. Mortgagor will not, without the prior written consent of Mortgagee, initiate or permit any zoning reclassification of the Property or seek any variance under existing zoning ordinances applicable to the Property or use or permit the use of the Property in such a manner as would result in such use becoming a nonconforming use under applicable zoning ordinances or other Applicable Laws. Mortgagor will not, without the prior written consent of Mortgagee, impose any restrictive covenants or encumbrances upon the Property which does not constitute a Permitted Encumbrance, execute or file any subdivision plat affecting the Property or consent to the annexation of the Property to any municipality. Mortgagor shall not cause or permit any drilling or exploration for, or extraction, removal or production of, minerals from the surface or subsurface of the Property. Mortgagor will not do or

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permit anything to cause the value of the Property to be materially lessened. If Mortgagor receives a written notice or claim from any federal, state or other governmental entity pertaining to the Property, including specifically but without limitation a notice that the Property is not in compliance with any Applicable Law, Mortgagor promptly will furnish a copy of such notice or claim to Mortgagee.

(d) *Debts for Construction.* Mortgagor will cause all debts and liabilities of any character, including without limitation all debts and liabilities for labor, material and equipment and all debts and charges for utilities servicing the Property, incurred in the construction, maintenance, operation and development of the Property, to be paid before the same become delinquent. Notwithstanding the foregoing, Mortgagor in good faith may contest, by appropriate proceedings, the validity, applicability or amount of any asserted mechanics' or materialmen's liens, and, pending such contest, Mortgagor shall not be deemed in Default hereunder if Mortgagor provides Mortgagee with security reasonably satisfactory to Mortgagee and if Mortgagor promptly causes to be paid any amount adjudged by a court of competent jurisdiction to be due, with all costs and interest thereon, promptly after such judgment becomes final; provided, however, that in any event each such contest shall be concluded and the lien, interest and costs shall be paid, bonded around or otherwise removed prior to the date any writ or order is issued under which the Property may be sold. No security (or reserve required in Section 2.2(b) above) is required until such time that the aggregate of alleged unpaid ad valorem taxes on all properties of Mortgagor which secure the Secured Indebtedness and all unpaid debts described in this Section 2.2(d) shall exceed \$100,000.

(e) *Repair and Maintenance.* Mortgagor will keep the Property reasonably in good order, repair, operating condition and appearance, causing all reasonably necessary repairs, renewals, replacements, additions and improvements promptly to be made, and will not allow any of the Property to be misused, abused or wasted or to deteriorate, normal wear and tear and casualty excepted. Mortgagor promptly will replace all worn-out or obsolete fixtures or personal property covered by this Mortgage that are reasonably necessary in the operation of the Property with fixtures or personal property comparable to the replaced fixture or personal property, and will repaint the Property when reasonably needed. Notwithstanding the foregoing, Mortgagor will not, without the prior written consent of Mortgagee, do or permit to be done anything to the Property that materially may impair its value, including but not limited to (i) removing from the Property any fixtures or personal property covered by this Mortgage (but not including any personal property in which Mortgagor is the lessee thereof) which are necessary or desirable in the operation of the Property, except such as is replaced by Mortgagor by an article of equal suitability and value, owned by Mortgagor, free and clear of any lien or security interest (except that (A) created by this Mortgage or any other Loan Paper, (B) otherwise permitted in the Loan Papers or (C) in respect of capitalized leases) or such as is permitted to be removed by a tenant pursuant to such tenant's lease or (ii) making any structural or other alteration to the Property that materially impairs the value thereof. Nothing contained herein will prevent tenants of the Property from making alterations and improvements expressly permitted under their leases. Upon request of Mortgagee, Mortgagor will deliver to Mortgagee an inventory describing and showing the make, model, serial number and location of all fixtures and personal property used in the management, maintenance and operation of the Property, with a certification by Mortgagor that said inventory is a true and complete schedule of all such fixtures and personal property used in the management, maintenance and operation of the Property, that such items specified in the inventory constitute all of the fixtures and personal property required in the management, maintenance and operation of the Property, and that all such items are owned by Mortgagor free and clear of any lien or security interest (except the Permitted Encumbrances).

(f) *Insurance and Casualty.* Mortgagor will keep the Property insured against loss or damage by fire, explosion, windstorm, hail, flood (as to any portion of the Property which shall at any time be located in an identified "flood prone" area in which flood insurance has been made available pursuant to the Flood Disaster Protection Act

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of 1973, and then in the amount of the outstanding balance of the Notes or the maximum amount of coverage available, whichever is less), tornado and such other hazards as required by Mortgagee and consistent with industry standards. Notwithstanding the foregoing, Debtor further covenants and agrees to keep the property insured by policies of fire, extended coverage and other insurance in such company or companies, rated by Best "A" or better and upon such terms and provisions, and with such endorsements, all as reasonably may be acceptable to Mortgagee and consistent with industry standards. Mortgagor further agrees that Mortgagor will deliver to Mortgagee certified copies of all such policies, receipts evidencing the payment of all premiums, and certificates of insurance addressed to Mortgagee, evidencing renewals of all such policies of insurance before any such insurance shall expire, and otherwise evidencing compliance with the insurance requirements set forth herein. All insurance policies required pursuant to this Section 2.2(f) shall contain a prohibition against cancellation, material endorsement, material alteration or reissuance of such policy effecting a change in coverage thereunder unless such insurer first shall have given Mortgagee 30 days prior written notice thereof. All fire, extended and other insurance coverage insurance policies required hereunder shall be on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage stipulated in the policy, but not less than 100% of the Property's insurable value, and shall be subject to deductibles, if any, not to exceed the lesser of 1% of the face amount of the policy or \$100,000. Without limiting the discretion of Mortgagee with respect to required endorsements to insurance policies, Mortgagor further agrees that all insurance policies shall provide that proceeds thereunder will be jointly payable to Mortgagee and Mortgagor, for the benefit of Mortgagor and Mortgagee (for the benefit of Lenders) as their interests may appear pursuant and subject to a mortgagee clause (without contribution) of standard form attached to or otherwise made a part of the applicable policy. In the event of foreclosure of this Mortgage, or other transfer of title to the Property in extinguishment in whole or in part of the Secured Indebtedness, all right, title and interest of Mortgagor in and to such policies then in force concerning the Property and all proceeds payable thereunder (to the extent of, but not to exceed, the Mortgaged Indebtedness) shall vest in the purchaser at such foreclosure or other transferee in the event of such other transfer of title. In the event any of the Property covered by such insurance is destroyed or damaged by fire, explosion, windstorm, hail or by any other casualty against which insurance shall have been required hereunder, (i) Mortgagee may, but shall not be obligated to, make proof of loss if not made promptly by Mortgagor, (ii) each insurance company concerned is hereby authorized and directed to make payment for such loss jointly to Mortgagee and Mortgagor, and (iii) Mortgagee shall apply the insurance proceeds as follows:

(A) **first**, to reimburse Mortgagee for all reasonable and necessary costs and expenses, including reasonable attorneys' fees, incurred in connection with the collection of such proceeds;

(B) **second**, if a Default has not occurred, proceeds of insurance from losses shall be used at Mortgagor's option by Mortgagor (i) for repair or replacement of Property (to the extent necessary not to cause an Event of Default pursuant to Section 6.1(k) of the Credit Agreement) and Mortgagor shall provide Mortgagee with evidence satisfactory to Mortgagee of such use or (ii) to be applied to Secured Indebtedness (which shall permanently reduce the Total Commitment, as defined in the Credit Agreement); **provided**, the order of application of such proceeds to the Secured Indebtedness shall be at the discretion of Determining Lenders; and

(C) **third**, if a Default has occurred, proceeds of insurance from losses shall at Determining Lenders' (as defined in the Credit Agreement) option be applied to Secured Indebtedness (which shall permanently reduce the Total Commitment, as defined in the Credit Agreement, by such amount) or to repair or replacement of Property; **provided**, the order of application of such proceeds to the Secured Indebtedness shall be at the discretion of Determining Lenders.

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In any event, the unpaid portion of the Secured Indebtedness shall remain in full force and effect and Mortgagor shall not be excused in the payment thereof. If any act or occurrence of any kind or nature (including any casualty on which insurance was not obtained or obtainable) shall result in material damage to or material loss or destruction of the Property, Mortgagor shall give immediate notice thereof to Mortgagee and, if Mortgagor elects to restore the Property to its prior condition (pursuant to Section 2.2(f)(iii)(B)), Mortgagor, at Mortgagor's sole cost and expense and regardless of whether the insurance proceeds, if any, shall be sufficient for the purpose, promptly shall restore, repair, replace and rebuild the Property as nearly as possible to its value, condition and character immediately prior to such damage, loss or destruction in accordance with plans and specifications submitted to and reasonably and promptly approved by Mortgagee. Mortgagor hereby irrevocably appoints Mortgagee Mortgagor's attorney-in-fact, with full authority in place and stead of Mortgagor and in the name of Mortgagor or otherwise, after the occurrence of any Default and the continuance of same to obtain any insurance required to be obtained pursuant to this Section 2.2(f) and which is not so obtained and to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection therewith. The appointment of Mortgagee as Mortgagor's attorney-in-fact is coupled with an interest and is irrevocable prior to final payment in full of the Secured Indebtedness.

(g) *Liability and Other Insurance.* Mortgagor shall maintain comprehensive general liability insurance against claims for bodily injury or death and property damage occurring in or upon or resulting from the Property, in standard form and with such insurance company or companies and policy coverage limits and terms as reasonably may be acceptable to Mortgagee, and such other insurance as Mortgagee from time to time reasonably may require, with companies rated by Best as "A" or better, upon such terms and provisions, in such amount, and with such endorsements, all as reasonably are approved by Mortgagee. Mortgagor shall maintain with respect to each policy or agreement evidencing such comprehensive general liability insurance such endorsements as reasonably may be required by Mortgagee consistent with accepted industry practice and shall at all times deliver and maintain with Mortgagee certified copies of all such policies, receipts evidencing the payment of all premiums, and certificates of insurance addressed to Mortgagee, evidencing renewals of all such policies of insurance 30 days before any such insurance shall expire, and otherwise evidencing compliance with the insurance requirements set forth herein. All insurance policies required pursuant to this Section 2.2(g) shall contain a prohibition against cancellation, material endorsement, material alteration or reissuance of such policy effecting a change in coverage thereunder unless such insurer first shall have given Mortgagee 30 days prior written notice thereof. Without limiting the discretion of Mortgagee with respect to required endorsements to insurance policies, Mortgagor further agrees that all insurance policies described in this Section 2.2(g) shall name Mortgagee, for the benefit of Lenders, as an additional insured party, as their interests may appear.

(h) *Condemnation.* Promptly upon obtaining actual knowledge of the institution of any proceedings for the condemnation of the Property or any portion thereof, or any other proceedings arising out of injury or damage to the Property, or any portion thereof, Mortgagor will notify Mortgagee of the pendency of such proceedings. Mortgagee may participate in any such proceedings if in the reasonable opinion of Mortgagee such participation is necessary to protect the rights or interests of Mortgagee and Mortgagor shall from time to time deliver to Mortgagee all instruments reasonably requested by it to permit such participation. Mortgagor shall, at its expense, diligently prosecute any such proceedings, and shall consult with Mortgagee, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings. All proceeds of condemnation awards or proceeds of sale *in lieu* of condemnation with respect to the Property and all judgments, decrees and awards for injury or damage to the Property shall be paid to Mortgagee and shall be applied as follows:

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(i) ~~first~~, to reimburse Mortgagor or Mortgagee for all reasonable and necessary costs and expenses, including reasonable attorneys' fees, incurred in connection with collection of such proceeds;

(ii) ~~second~~, if a Default has not occurred, at Mortgagor's option, (a) for replacement of Property (to the extent necessary not to cause an Event of Default pursuant to Section 6.1(k) of the Credit Agreement) and Mortgagor shall provide Administrative Lender with evidence satisfactory to Administrative Lender of such use or (b) to the payment of Secured Indebtedness (which shall permanently reduce the Total Commitment, as defined in the Credit Agreement, by such amount); provided, the order of application of such proceeds to the Secured Indebtedness shall be at the discretion of Determining Lenders;

(iii) ~~third~~, if a Default has occurred, to the payment of Secured Indebtedness (which shall permanently reduce the Total Commitment, as defined in the Credit Agreement, by such amount); provided, the order application of such proceeds to the Secured Indebtedness shall be at the discretion of Determining Lenders; and

(iv) ~~fourth~~, to the extent of the balance (if any) of such proceeds, to Mortgagor or other party legally entitled thereto.

Mortgagor hereby assigns and transfers all such proceeds, judgments, decrees and awards to Mortgagee, for the benefit of Lenders, and agrees to execute such further assignments of all such proceeds, judgments, decrees and awards as Mortgagee may reasonably request; provided, however, the disbursement of such proceeds, judgments, decrees and awards shall be applied as provided above in this Section 2.2(h). Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittances for, and to appeal from, any such judgment, decree or award if in the reasonable judgment of Administrative Lender the failure of Grantor to timely perform such acts could reasonably be expected to have a Material Adverse Effect. Neither Mortgagee nor any Lender shall, in any event or circumstances, be liable or responsible for failure to collect, or for failure to exercise diligence in the collection of, any such proceeds, judgments, decrees and/or awards.

(i) *Protection and Defense of Lien.* If the validity or priority of this Mortgage or of any rights, titles, liens or security interests created or evidenced hereby with respect to the Property or any part thereof shall be attacked directly or indirectly or if any legal proceedings are instituted against Mortgagor with respect thereto, Mortgagor will give prompt written notice thereof to Mortgagee and at Mortgagor's own cost and expense diligently will endeavor to cure any defect that may be developed or claimed, and will take all necessary and proper steps for the defense of such legal proceedings, including but not limited to the employment of counsel, the prosecution or defense of litigation and the release or discharge of all adverse claims, and Mortgagor (whether or not named as a party to legal proceedings with respect thereto) is hereby authorized and empowered to take such additional steps as in its judgment and discretion reasonably may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Mortgage and the rights, titles, liens and security interests created or evidenced hereby, including but not limited to the employment of counsel, the prosecution or defense of litigation, the compromise or discharge of any adverse claims made with respect to the Property, the purchase of any tax title and the removal of prior liens or security interests which do not constitute Permitted Encumbrances, and all reasonable expenses so incurred of every kind and character shall be a demand obligation owing by Mortgagor, and the party incurring such expenses shall be subrogated to all rights of the person receiving such payment. Should Mortgagee intend to take any such action described in the immediately preceding sentence, Mortgagee shall, subject to the immediately succeeding proviso, prior to taking any such action notify Mortgagor of such intention and give Mortgagor a reasonable opportunity to provide such defense or protection; provided, however, if in the reasonable opinion

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of Mortgagee the giving of such notice and opportunity to provide such defense or protection would impair or hinder such defense or protection or would otherwise be disadvantageous to rights or interests of Mortgagee hereunder or the rights, title, liens or security interests created or evidenced hereby, Mortgagee shall have no obligation to give such notice and opportunity to provide such defense or protection.

(j) *Permitted Encumbrances.* Mortgagor will comply with and will perform all of the covenants, agreements and obligations imposed upon it or the Property in the Permitted Encumbrances in accordance with their respective terms and provisions. Mortgagor will not modify or permit any modification of any Permitted Encumbrance the result of which would have a Material Adverse Effect without the prior written consent of Mortgagee.

(k) *Books and Records.* Mortgagor will permit all contracts, statements, invoices, bills and claims for labor, materials and services supplied for the construction and operation of the improvements forming a part of the Property to be inspected and copied by Mortgagee and its representatives at all times during reasonable business hours.

(l) *Leases.* Mortgagor may not lease or enter into any other occupancy agreement (other than agreements related to hotel and motel room occupancy entered into in the normal course of Mortgagor's operation of the Property) covering any of the Property without the prior written consent of Mortgagee.

(m) *Fees and Expenses; Indemnification.* Mortgagor will pay all appraisal fees, filing and recording fees, inspection fees, survey fees, taxes, brokerage fees and commissions, abstract fees, title policy fees, uniform commercial code search fees, escrow fees, attorney's fees, and all other costs and expenses of every character reasonably and properly incurred by Mortgagor, Mortgagee or Lenders in connection with this Mortgage, either at the closing thereof or at any time during the term thereof, or otherwise attributable or chargeable to Mortgagor as owner of the Property, and will reimburse Mortgagee and Lenders for all such costs and expenses incurred by each of them. Mortgagor shall pay all reasonable and proper expenses and reimburse Mortgagee and Lenders for any reasonable and necessary expenditures, including reasonable attorney's fees and legal expenses, incurred or expended in connection with (i) the breach, by Mortgagor of any covenant herein or (ii) Mortgagee's or Lenders' reasonable exercise of any of the rights and remedies hereunder or Mortgagee's or Lenders' reasonable protection of the Property and the lien and security interest therein. Mortgagor will indemnify and hold harmless Mortgagee and Lenders (for purposes of this Section 2.2(m), the terms "Mortgagee" and "Lenders" shall include the directors, officers, employees and agents of Mortgagee and Lenders and any persons or entities owned or controlled by or affiliated with Mortgagee and Lenders) from and against, and reimburse them for, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses (including, without limitation, reasonable attorney's fees) which may be imposed upon, asserted against or incurred or paid by them by reason of, on account of or in connection with any bodily injury or death or property damage occurring in or upon or in the vicinity of the Property through any cause whatsoever, or asserted against them on account of any act performed or omitted to be performed hereunder or on account of any transaction arising out of or in any way connected with the Property or with this Mortgage. The foregoing indemnities shall not apply with respect to matters caused by or arising out of the gross negligence or willful misconduct of Mortgagee and/or Lenders. Mortgagor agrees, however, that it expressly intends to indemnify Mortgagee and Lenders from and hold each of them harmless against any and all losses, liabilities, claims, damages or expenses arising out of their ordinary negligence. The foregoing indemnities, however, shall not apply with respect to any losses, liabilities, claims, damages or expenses incurred by Mortgagee or Lenders in any action or proceeding by Mortgagor against Mortgagee or Lenders unless Mortgagee or Lenders prevail in such action or proceeding. The foregoing indemnities shall not terminate upon release, foreclosure or other termination of this Mortgage but will survive

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foreclosure of this Mortgage or conveyance *in lieu* of foreclosure and the repayment of the Secured Indebtedness and the discharge and release of this Mortgage and the other Loan Papers. Any amount to be paid hereunder by Mortgagor to Mortgagee and/or Lenders shall be a demand obligation owing by Mortgagor to Mortgagee and/or Lenders and shall be subject to and governed by the provisions of Section 2.3 hereof.

(n) *Estoppel Certificate.* Mortgagor shall at any time and from time to time furnish promptly upon request a written statement in such form as may be reasonably required by Mortgagee stating that this Mortgage is a valid and binding obligation of Mortgagor, enforceable against Mortgagor in accordance with its terms, subject to Debtor Relief Laws (as such term is defined in the Credit Agreement); that this Mortgage has not been released, subordinated or modified; and that to the best of Mortgagor's knowledge there are no offsets or defenses against the enforcement of this Mortgage, or if any of the foregoing statements are untrue, specifying the reasons therefor.

(o) *Compliance with Laws.* Mortgagor shall, and shall use reasonable efforts to cause any tenant, licensee or occupant of the Property to, comply with all applicable restrictive covenants and all Applicable Laws with respect to which the failure to so comply would have a Material Adverse Effect.

(p) *Tax and Insurance Escrow.* In order to secure the performance and discharge of Mortgagor's obligations under Section 2.2(b), (f) and (g), but not *in lieu* of such obligations, Mortgagor will upon written request of Mortgagee, deposit with Mortgagee upon the occurrence and continuance of a Default, a sum equal to ad valorem taxes, assessments and charges (which charges for the purpose of this Section 2.2(p) shall include without limitation ground rents and water and sewer rents and any other recurring charge which could create or result in a lien against the Property) against the Property for the then current year and the premiums for such policies of insurance for the then current year, all as estimated by Mortgagee and prorated to the end of the calendar month following the month during which such Default occurred, and thereafter will deposit with Mortgagee, on the last day of each month, sufficient funds (as estimated from time to time by Mortgagee) to permit Mortgagee to pay, at least 15 days prior to the delinquency date thereof, the next maturing ad valorem taxes, assessments and charges and premiums for such policies of insurance. Mortgagee shall have the right to rely upon tax information furnished by applicable taxing authorities in the payment of such taxes or assessments and shall have no obligation to make any protest of any such taxes or assessments. Any excess over the amounts required for such purposes shall be held by Mortgagee for future use, applied to any Secured Indebtedness, or refunded to Mortgagor, at Mortgagee's option; and any deficiency in such funds so deposited shall be made up by Mortgagor upon demand of Mortgagee. All such funds so deposited shall bear interest at the normal interest rate for money market deposits at NationsBank Texas, may be mingled with the general funds of Mortgagee and shall be applied by Mortgagee toward the payment of such taxes, assessments, charges and premiums when statements therefor are presented to Mortgagee by Mortgagor (which statements shall be presented by Mortgagor to Mortgagee a reasonable time before the applicable amount is due); provided, however, that if Mortgagee has made demand for payment of all of the Secured Indebtedness, such funds may at Mortgagee's option be applied to the payment of the Secured Indebtedness in the order determined by Mortgagee and that Mortgagee may at any time, in its discretion, apply all or any part of such funds toward the payment of any such taxes, assessments, charges or premiums which are past due, together with any penalties or late charges with respect thereto. The conveyance or transfer of Mortgagor's interest in the Property for any reason (including without limitation the foreclosure of a subordinate lien or security interest or a transfer by operation of law) shall constitute an assignment or transfer of Mortgagor's interest in and rights to such funds held by Mortgagee under this Section 2.2(p) but subject to the rights of Mortgagee hereunder.

(q) *Further Assurances.* Mortgagor will, on request of Mortgagee, (i) promptly correct any defect or error which may be discovered in the contents of this

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Mortgage or in any other instrument executed in connection herewith or in the execution or acknowledgment thereof; (ii) execute, acknowledge, deliver and record or file such further instruments (including without limitation further deeds of trust, security agreements, financing statements, continuation statements and assignments of rents or leases) and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Mortgage and such other instruments and to subject to the liens and security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby including specifically, but without limitation, any renewals, additions, substitutions, replacements, or appurtenances to the Property; (iii) execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically any financing statement) deemed advisable by Mortgagee to protect the lien or the security interest hereunder against the rights or interests of third persons, and Mortgagor will pay all reasonable costs connected with any of the foregoing; (iv) use reasonable efforts to cause any tenant under any lease agreement of any of the Property to furnish any instrument or perform any act deemed advisable by Mortgagee to protect the lien or the security interest hereunder; and (v) provide such certificates, documents, reports, information, affidavits and other instruments and do such further acts as may be reasonably necessary or proper in the reasonable determination of Mortgagee to enable Mortgagee to comply with the requirements or requests of any agency having jurisdiction over Mortgagee or Lenders or any examiners of such agencies with respect to the Secured Indebtedness, Mortgagor or the Property.

2.3. *Right of Mortgagee to Perform.* Mortgagor agrees that, if Mortgagor fails to perform any act or to take any action which hereunder Mortgagor is required to perform or take, or to pay any money which hereunder Mortgagor is required to pay, Mortgagee, in Mortgagor's name or in its own name and after the giving of any required notice and expiration of any applicable cure period, may but shall not be obligated to perform or cause to be performed such act or take such action or pay such money, and any reasonable expenses so incurred by Mortgagee, and any money so paid by Mortgagee, shall be a demand obligation owing by Mortgagor to Mortgagee and Mortgagee, upon making such payment, shall be subrogated to all of the rights of the person or entity receiving such payment. Any amounts due and owing by Mortgagor to Mortgagee pursuant to this Mortgage shall bear interest from the date such amount becomes due until paid at a rate of interest per annum equal to the lesser of (i) the prime rate of NationsBank Texas as announced or published by NationsBank Texas from time to time, plus 3%, and (ii) the highest lawful rate, and shall be a part of the Secured Indebtedness and shall be secured by this Mortgage and by any other Loan Paper. Should Mortgagee intend to perform or cause to be performed such act or take such action or pay such money, Mortgagee shall, subject to the immediately succeeding proviso, prior to taking any such action notify Mortgagor of such intention and give Mortgagor a reasonable opportunity to take such action; provided, however, if in the reasonable opinion of Mortgagee the giving of such notice and opportunity to take action would impair the validity or priority of this Mortgage, the rights or interests of Mortgagee hereunder or any rights, titles, liens or security interests created or evidenced hereby, Mortgagee shall have no obligation to give such notice and opportunity to take action.

ARTICLE III.

Remedies in Event of Default

3.1. *Defaults.* The term "**Default**" as used in this Mortgage shall mean the occurrence and continuance of an "Event of Default" as defined in the Credit Agreement.

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3.2. *Acceleration.* Upon the occurrence of a Default, Mortgagee shall have the option of declaring all Secured Indebtedness in its entirety to be immediately due and payable, and the liens and security interests evidenced hereby shall be subject to foreclosure in any manner provided for herein or provided for by law as Mortgagee may elect.

3.3. *Possession.* Upon the occurrence of a Default, Mortgagee is authorized prior or subsequent to the institution of any foreclosure proceedings to enter upon the Property, or any part thereof, and to take possession of the Property and of all books, records and accounts relating thereto and to exercise without interference from Mortgagor any and all rights which Mortgagor has with respect to the management, possession, operation, protection or preservation of the Property, including the right to rent the same for the account of Mortgagor and to deduct from such rents all reasonable costs, expenses and liabilities of every character incurred by Mortgagee in collecting such rents and in managing, operating, maintaining, protecting or preserving the Property and to apply the remainder of such rents on the Secured Indebtedness in such manner as Mortgagee may elect. All such costs, expenses and liabilities incurred by Mortgagee in collecting such rents and in managing, operating, maintaining, protecting or preserving the Property, if not paid out of rents as hereinabove provided, shall constitute a demand obligation owing by Mortgagor and shall bear interest from the date of expenditure until paid at a rate of interest per annum equal to the lesser of (i) the prime rate of NationsBank Texas, as announced or published by NationsBank Texas from time to time, plus 3%, and (ii) the highest lawful rate, all of which shall constitute a portion of the Secured Indebtedness. If necessary to obtain the possession provided for above, Mortgagee may invoke any and all legal remedies to dispossess Mortgagor, including specifically one or more actions for forcible entry and detainer, trespass to try title and restitution. In connection with any action taken by Mortgagee pursuant to this Section 3.3, Mortgagee shall not be liable for any loss sustained by Mortgagor resulting from any failure to let the Property, or any part thereof, or from any other act or omission of Mortgagee in managing the Property, including without limitation, the negligence of Mortgagee, unless such loss is caused by the gross negligence or willful misconduct of Mortgagee, and Mortgagee shall not be obligated to perform or discharge any obligation, duty or liability under any lease agreement covering the Property or any part thereof or under or by reason of this instrument or the exercise of rights or remedies hereunder. Should Mortgagee incur any such liability, the amount thereof, including reasonable costs, expenses and reasonable attorneys' fees, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand. Nothing in this Section 3.3 shall impose any duty, obligation or responsibility upon Mortgagee for the control, care, management or repair of the Property, or shall operate to make Mortgagee responsible or liable for any waste committed on the Property or by any other parties or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, operation, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger, unless such waste, dangerous or defective condition or injury or death is directly a result of gross negligence or willful misconduct by Mortgagee, and not just Mortgagee's own ordinary negligence. Mortgagor hereby assents to, ratifies and confirms any and all actions of Mortgagee with respect to the Property taken under this Section 3.3.

3.4. *Foreclosure.* Mortgagee may proceed to protect and enforce the rights of Mortgagee hereunder (i) by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law, or (ii) by the foreclosure of this Mortgage.

3.5. *Receiver.* In addition to all other remedies herein provided for, Mortgagor agrees that upon the occurrence of a Default, Mortgagee shall as a matter of right be entitled to seek the appointment of a receiver or receivers for all or any part of the Property, whether such receivership be incident to a proposed sale of such Property or otherwise, and without regard to the value of the Property or the solvency of any person or persons liable for the payment of the Secured Indebtedness, and Mortgagor does hereby consent to Mortgagee's seeking the appointment of such receiver or receivers, but nothing herein is to be construed to deprive Mortgagee of any other right, remedy or privilege it may now or hereafter have under the law to have a receiver appointed; provided, however, that the appointment of such receiver, trustee

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or other appointee by virtue of any court order, statute or regulation shall not impair or in any manner prejudice the rights of Mortgagee to receive payment of the rents, room rents, deposits for lodging and income from the Property. Any money advanced by Mortgagee in connection with any such receivership shall be a demand obligation owing by Mortgagor to Mortgagee and shall bear interest from the date of making such advancement by Mortgagee until paid at a rate of interest per annum equal to the lesser of (i) the prime rate of NationsBank Texas, as announced or published by NationsBank Texas from time to time, plus 3%, and (ii) the highest lawful rate, and shall be secured by this Mortgage and by any other instrument securing the Secured Indebtedness.

3.6. *Proceeds of Sale.* The proceeds of any sale held by Mortgagee or any receiver or public officer in foreclosure of the liens evidenced hereby shall be applied:

first, to the payment of all necessary costs and expenses incident to such foreclosure sale, including but not limited to all court costs and charges of every character in the event foreclosed by suit, and a reasonable fee to Mortgagee acting under the provisions of Section 3.4 if foreclosed by power of sale as provided in Section 3.4;

second, to the payment in full of the Secured Indebtedness; provided, the order of application of such proceeds to the Secured Indebtedness shall be at the discretion of Determining Lenders; and

third, the remainder, if any, shall be paid to Mortgagor or other party legally entitled thereto.

3.7. *Mortgagee as Purchaser.* Mortgagee shall have the right to become the purchaser at any sale held by any Mortgagee or substitute or successor or by any receiver or public officer, and Mortgagee purchasing at such sale shall have the right to credit upon the amount of the bid made therefor, to the extent necessary to satisfy such bid, the Secured Indebtedness owing to Mortgagee and/or Lenders for the equal and ratable benefit of Lenders.

3.8. *Uniform Commercial Code.*

(a) Upon the occurrence of a Default, Mortgagee may exercise its rights of enforcement with respect to the Personal Property under the Illinois Uniform Commercial Code, as amended, and in conjunction with, in addition to or in substitution for those rights and remedies, and all rights and remedies granted to Mortgagee or Lenders under any Loan Paper executed by Mortgagor governing security interests in personal property of Mortgagor.

(b) Any sale made pursuant to the provisions of this Section 3.8 shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the sale of the Mortgaged Property under power of sale as provided herein upon giving the same notice with respect to the sale of the Personal Property hereunder as is required for such sale of the Mortgaged Property under power of sale.

(c) Any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of the Secured Indebtedness, or as to the occurrence of any Default, or as to Mortgagee and/or Lenders having declared all of such indebtedness to be due and payable, or as to notice of time, place and terms of sale and of the properties to be sold having been duly given, or as to any other act or thing having been duly done by Mortgagee and/or Lenders, shall be taken as prima facie evidence of the truth of the facts so stated and recited.

(d) Mortgagee may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Mortgagee, including

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the sending of notices and the conduct of the sale, but in the name and on behalf of Mortgagee.

3.9. *Partial Foreclosure.* In the event of a default in the payment of any part of the Secured Indebtedness, Mortgagee shall have the right to proceed with foreclosure of the liens and security interests evidenced hereby without declaring the entire Secured Indebtedness due, and in such event any such foreclosure sale may be made subject to the unmatured part of the Secured Indebtedness; and any such sale shall not in any manner affect the unmatured part of the Secured Indebtedness, but as to such unmatured part this Mortgage shall remain in full force and effect just as though no sale had been made. The proceeds of any such sale shall be applied as provided in Section 3.6 except that the amount paid under paragraph second thereof shall be only the matured portion of the Secured Indebtedness and any proceeds of such sale in excess of those provided for in subparagraphs first and second (modified as provided above) shall be applied to installments of principal of and interest on the Notes in the inverse order of maturity. Several sales may be made hereunder without exhausting the right of sale for any unmatured part of the Secured Indebtedness.

3.10. *Remedies Cumulative.* All remedies herein expressly provided for are cumulative of any and all other remedies existing at law or in equity and are cumulative of any and all other remedies provided for in any other instrument securing the payment of the Secured Indebtedness, or any part thereof, or otherwise benefiting Mortgagee and Lenders, and Mortgagee and Lenders shall, in addition to the remedies herein provided, be entitled to avail themselves of all such other remedies as may now or hereafter exist at law or in equity for the collection of the Secured Indebtedness and the enforcement of the covenants herein and the foreclosure of the liens and security interests evidenced hereby, and the resort to any remedy provided for hereunder or under any such other instrument or provided for by law shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

3.11. *Resort to Any Security.* Mortgagee may resort to any security given by this Mortgage or to any other security now existing or hereafter given to secure the payment of the Secured Indebtedness, in whole or in part, and in such portions and in such order as may seem best to Mortgagee in its sole and uncontrolled discretion, and any such action shall not in anywise be considered as a waiver of any of the rights, benefits, liens or security interests evidenced by this Mortgage.

3.12. *Waiver.* To the full extent Mortgagee may do so, Mortgagee agrees that Mortgagee will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force pertaining to the rights and remedies of sureties or providing for any appraisal, valuation, stay, extension or redemption, and Mortgagee, for Mortgagee and Mortgagee's representatives, successors and assigns, and for any and all persons ever claiming any interest in the Property, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution, notice of intention to mature or declare due the whole of the Secured Indebtedness and all rights to a marshaling of the assets of Mortgagee, including the Property, or to a sale in inverse order of alienation in the event of foreclosure of the liens and security interests hereby created. Mortgagee shall not have or assert any right under any statute or rule of law pertaining to the marshaling of assets, sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents or other matters whatever to defeat, reduce or affect the rights of Mortgagee under the terms of this Mortgage to a sale of the Property for the collection of the Secured Indebtedness without any prior or different resort for collection, or the rights of Mortgagee under the terms of this Mortgage to the payment of such indebtedness out of the proceeds of sale of the Property in preference to every other claimant whatever. If the Property is sold for an amount less than the Secured Indebtedness, the deficiency shall be determined by the purchase price at the sale or sales. If any law referred to in this Section 3.12 and now in force, of which Mortgagee or Mortgagee's successors and assigns and such other persons claiming any interest in the Property might take advantage despite this Section 3.12 shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section 3.12.

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3.13. *Delivery of Possession After Foreclosure.* In the event there is a foreclosure sale hereunder and at the time of such sale Mortgagor or Mortgagor's successors or assigns or any other persons claiming any interest in the Property by, through or under Mortgagor are occupying or using the Property, or any part thereof, each and all shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day-to-day, terminable at the will of either landlord or tenant, at a reasonable rental per day based upon the value of the property occupied, such rental to be due daily to the purchaser. In the event the tenant fails to surrender possession of said property upon demand, the purchaser shall be entitled to institute and maintain an action for forcible entry and detainer of said property in the Justice of the Peace Court in the Justice Precinct in which such property, or any part thereof, is situated.

3.14. *Tender After Acceleration.* If, following the occurrence of a Default and the acceleration of the Secured Indebtedness but prior to the foreclosure of this Mortgage against the Property, Mortgagor shall tender to Mortgagee and/or Lenders payment of an amount sufficient to pay the entire Secured Indebtedness, such tender shall be deemed to be a voluntary prepayment and, consequently, Mortgagor shall also pay to Lenders on the date of such tender charges as may be required under the Credit Agreement for prepayment of a LIBOR Advance or a CD Advance; provided, however, that in no event shall any amount payable under this Section 3.14, when added to the interest otherwise payable on the Secured Indebtedness, exceed the maximum interest permitted under applicable law.

3.15. *Insurance Premiums.* Upon any foreclosure of the Mortgaged Property pursuant to this Mortgage, Mortgagee shall have the right to cancel any policy of insurance covering all or any part of the Mortgaged Property and shall be entitled to receive any unearned premiums from such policy. The unearned premiums received by Mortgagee shall be applied in the same manner as provided in Section 3.9 above regarding the application of proceeds of sale of the Mortgaged Property.

ARTICLE IV.

Assignment of Rents, Room Rents, Deposits for Lodging, Profits, Income, Contracts and Bonds

4.1. *Assignment.* Mortgagor does hereby absolutely and unconditionally assign, transfer and set over to Mortgagee all rents, room rents, deposits for lodging, income, profits and proceeds to be derived from the Property, including without limitation the immediate and continuing right to collect and receive all of the rents, room rents, deposits for lodging, income, receipts, revenues, issues, profits and other sums of money that may now or at any time hereafter become due and payable to Mortgagor under the terms of any present or future leases, licenses or other agreements now or hereafter covering the Property, or any part thereof, including but not limited to minimum rents, additional rents, percentage rents, deficiency rents and liquidated damages following default, all proceeds payable under any policy of insurance covering the loss of rents resulting from untenability caused by destruction or damage to the Property, and liens and rights, whether constitutional, statutory, contractual or otherwise, in favor of Mortgagor as the lessor of any of the Property, and all of Mortgagor's rights to recover monetary amounts from any lessee, licensee or occupant in bankruptcy including, without limitation, rights of recovery for use and occupancy and damage claims arising out of lease defaults, including rejections, under any bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of rights of creditors generally, together with any sums of money that may now or at any time hereafter become due and payable to Mortgagor by virtue of any and all royalties, overriding royalties, bonuses, delay rentals and any other amount of any kind or character arising under any and all present and future oil, gas and mining leases covering the Property or any part thereof; and all proceeds and other amounts paid or owing to Mortgagor under or pursuant to any and all contracts and bonds relating to the construction, erection or renovation of the Property; subject however to a license hereby granted by Mortgagee to Mortgagor to collect and receive and expend all of the

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foregoing, subject to the terms and conditions hereof. Upon the occurrence and continuance of any Default, Mortgagee shall have the right, power and privilege (but shall be under no duty) to terminate such license whereupon Mortgagee shall have the right and authority, whether or not it takes possession of the Property, to seek enforcement of any such lease, contract or bond and to demand, collect, receive, sue for and recover in its own name any and all of the above described amounts assigned hereby and to apply the sum(s) collected, first to the payment of reasonable expenses incident to the collection of the same as outlined in this Mortgage, second to the payment of the Secured Indebtedness, and the balance, if any, to Mortgagor or other party legally entitled thereto; provided, however, that Mortgagee shall not be deemed to have taken possession of the Property except on the exercise of its option to do so, evidenced by its demand and overt act for such purpose. Mortgagor shall make no assignment or other disposition of the above described amounts assigned hereby, nor, unless permitted under the Credit Agreement, shall Mortgagor cancel or amend any such lease, contract, bond or any other instrument under which such amounts are to be paid or waive, excuse, condone, discount, set off, compromise or in any manner release any obligation thereunder, nor shall Mortgagor receive or collect any such amount thus assigned for a period of more than one month in advance of the date on which payment thereof is due and Mortgagor shall duly and punctually observe and perform every obligation to be performed by it under each such lease, contract, bond or other instrument and shall not do or permit to be done anything to impair the security thereof and shall enforce, to the extent such enforcement would be reasonably prudent under the circumstances, every obligation of each other party thereto. The assignment contained in this Section 4.1 shall become null and void upon the release of this Mortgage. It shall never be necessary for Mortgagee to institute legal proceedings of any kind whatsoever to enforce the provisions of this Section 4.1. It is agreed that room deposits received more than one month in advance shall not be deemed to violate this provision.

ARTICLE V.

Hazardous Materials

5.1. *Definitions.* For the purpose of this Mortgage, the following terms shall have the following meanings:

(a) "Hazardous Materials" means (a) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 *et seq.*), as amended from time to time, and regulations promulgated hereunder; (b) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 *et seq.*) ("CERCLA"), as amended from time to time, and regulations promulgated thereunder; (c) asbestos; (d) polychlorinated biphenyls; (e) underground storage tanks, whether empty, filled or partially filled with any substance, (f) any substance the presence of which on the Mortgaged Property is prohibited by any Governmental Requirements (as defined below); and (g) any other substance which by any Governmental Requirements requires special handling or notification of any federal, state or local governmental entity in its collection, storage, treatment, or disposal.

(b) "Hazardous Materials Contamination" means the contamination (whether presently existing or hereafter occurring) of the buildings, facilities, soil, groundwater, air or other elements on or of the Mortgaged Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on or of any other property as a result of Hazardous Materials at any time (whether before or after the date of this Mortgage) emanating from the Mortgaged Property.

(c) "Governmental Requirements" means all laws, ordinances, rules, and regulations of any Governmental Authority (as defined below) applicable to Mortgagor or the Mortgaged Property.

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(d) "Governmental Authority" means the United States, the state, county, city, or any other political subdivision in which the Mortgaged Property is located, and any other political subdivision, agency, or instrumentality exercising jurisdiction over Mortgagor or the Mortgaged Property.

5.2. *Mortgagor's Warranties.* Mortgagor hereby represents and warrants that:

(a) No Hazardous Materials have been collected, stored, treated or disposed of in a manner which violates Applicable Law and no Hazardous Materials which would have a Material Adverse Effect are now located on the Mortgaged Property, and neither Mortgagor nor, to the best of Mortgagor's actual knowledge and belief, any other person has ever caused or permitted any Hazardous Materials which would have a Material Adverse Effect to be placed, held, located or disposed on, under or at the Mortgaged Property or any part thereof;

(b) No part of the Mortgaged Property is being used nor, to the best of Mortgagor's actual knowledge and belief, has been used at any previous time for the disposal, storage, treatment, processing or other handling of Hazardous Materials, nor is any part of the Mortgaged Property affected by any Hazardous Materials Contamination which would have a Material Adverse Effect; and

(c) To the best of Mortgagor's actual knowledge and belief, no property adjoining the Mortgaged Property is being used, or has ever been used at any previous time for the disposal, storage, treatment, processing or other handling of Hazardous Materials which would have a Material Adverse Effect nor is any other property adjoining the Mortgaged Property affected by Hazardous Materials Contamination which would have a Material Adverse Effect.

5.3. *Mortgagor's Covenants.* Mortgagor agrees to (a) give notice to Mortgagee immediately upon Mortgagor's acquiring knowledge of the presence of any Hazardous Materials on the Property or any adjoining property which would have a Material Adverse Effect or of any Hazardous Materials Contamination which would have a Material Adverse Effect with a full description thereof; (b) promptly comply with any Governmental Requirements requiring the removal, treatment or disposal of such Hazardous Materials or Hazardous Materials Contamination and provide Mortgagee with reasonably satisfactory evidence of such compliance; and (c) provide Mortgagee within 30 days after demand by Mortgagee, with a bond, letter of credit or similar financial assurance evidencing to Mortgagee's reasonable satisfaction that the necessary funds are available to pay the cost of removing, treating and disposing of such Hazardous Materials or Hazardous Materials Contamination and discharging any assessments which may be established on the Mortgaged Property as a result thereof.

5.4. *Site Assessments.* Mortgagor will permit Mortgagee (by its officers, employees and agents) (a) at any time and from time to time prior to the occurrence of a Default or Event of Default but in no event more than once every thirty-six months (or such other more frequent intervals as may be required by any governmental or regulatory authority) or (b) at any time and from time to time after the occurrence of a Default or Event of Default, to contract for the services of persons (the "Site Reviewers") to perform environmental site assessments (the "Site Assessments") on any of the Mortgaged Property for the purpose of determining whether there exists on the Mortgaged Property any environmental condition which could reasonably be expected to result in any liability, cost or expense to the owner, occupier or operator of such Mortgaged Property arising under any Governmental Requirements relating to Hazardous Materials. Subject to the immediately preceding sentence, the Site Assessments may be performed at any time or times, upon reasonable notice, and under reasonable conditions established by Mortgagor which do not impede the performance of the Site Assessments. The Site Reviewers are hereby authorized to enter upon any Mortgaged Property for such purposes. The Site Reviewers are further authorized to perform both above and below the ground testing for environmental damage or the presence of Hazardous Materials on any Mortgaged Property and such other tests on any Mortgaged Property as may be necessary to conduct the Site Assessments in the reasonable opinion of the Site Reviewers. Mortgagor will supply to the Site

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Reviewers such historical and operational information regarding any of the Mortgaged Property as may be reasonably requested by the Site Reviewers to facilitate the Site Assessments and will make available for meeting with the Site Reviewers appropriate personnel having knowledge of such matters. The reasonable cost of performing such Site Assessments shall be paid by Mortgagor upon demand of Mortgagee and any such expenses borne by Mortgagee and not immediately reimbursed by Mortgagor shall be secured by this Mortgage.

5.5. *Indemnification.* Regardless of whether any Site Assessments are conducted hereunder, if any Default or Event of Default shall have occurred and be continuing or any remedies in respect of any of the Property are exercised by Mortgagee or any Lender, Mortgagor shall defend, indemnify and hold harmless Mortgagee and Lenders from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, attorneys' fees and expenses, and remedial costs), suits, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the release of this Mortgage) be paid, incurred or suffered by or asserted against Mortgagee or Lenders by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from any of the Property of any Hazardous Materials or any Hazardous Materials Contamination or arise out of or result from the environmental condition of any of the Property or the applicability of any Governmental Requirements relating to Hazardous Materials (including, without limitation, CERCLA or any federal, state or local so-called "superfund" or "superlien" laws, or any code, rule, regulation, order or decree promulgated thereunder); provided, however, the indemnity provided above shall not apply to any liabilities, actions, demands, penalties, losses, costs or expenses, suits, costs of any settlement or judgment and claims of any and every kind whatsoever which are determined in a final, non-appealable judgment by a court of competent jurisdiction to have been (a) caused by or within the control of Mortgagee and/or Lenders as a result of actions in their capacities as beneficiaries of this Mortgage and not as a result of any determination in such judgment or otherwise that any covenants, conditions or provisions in any of the Loan Papers give or purport to give control over Mortgagor or any of the Property or (b) the result of an event that occurs after foreclosure of the Property (or any portion thereof) or the taking of a deed *in lieu* of foreclosure covering the Property (or any portion thereof), unless such event occurs as a result of or arises out of a Hazardous Materials Contamination or an environmental condition of the Property that occurred or existed prior to such foreclosure or such taking of a deed *in lieu* of foreclosure. The covenants, warranties and indemnifications contained in this Section 5.5 shall survive the release of this Mortgage and termination of the Credit Agreement. For the purposes of this Section 5.5, the term "Mortgagee" and "Lenders" shall include all subsequent owners or holders of any obligations secured by this Mortgage, all directors, officers, employees and agents of such entity and any persons or entities owned or controlled by or affiliated with Mortgagee or any Lender, and their respective directors, officers, employees and agents.

ARTICLE VI.

Miscellaneous

6.1. *Release.* If all of the Secured Indebtedness be finally and fully paid, the Property shall become wholly clear of the liens, security interests, conveyances and assignments evidenced hereby, which shall be released by Mortgagee at Mortgagor's cost.

6.2. *Successor Mortgagee.* All references herein to Mortgagee shall be deemed to refer to Mortgagee (including any successor or substitute) from time to time acting hereunder. Mortgagor hereby ratifies and confirms any and all acts which the herein named Mortgagee or her successor or successors, substitute or substitutes lawfully shall do by virtue hereof.

6.3. *Liability and Indemnification of Mortgagee.* Mortgagee shall not be liable for any error of judgment or act done by Mortgagee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for Mortgagee's gross negligence or

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willful misconduct. Mortgagee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him or her hereunder, believed by him or her in good faith to be genuine. All moneys received by Mortgagee, until used or applied as herein provided, shall be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by law), and Mortgagee shall be under no liability for interest on any monies received by him or her hereunder. Mortgagor will reimburse Mortgagee for, and indemnify and save harmless Mortgagee against, any and all liability and expenses which reasonably may be incurred by Mortgagee in the performance of its duties hereunder. The foregoing indemnity shall not terminate upon release, foreclosure or other termination of this Mortgage.

6.4. *Waiver by Mortgagee or Lenders.* Mortgagee or Lenders may at any time and from time to time in writing (a) waive compliance by Mortgagor with any covenant herein made by Mortgagor to the extent and in the manner specified in such writing; (b) consent to Mortgagor doing any act which Mortgagor hereunder is prohibited from doing, or consent to Mortgagor failing to do any act which Mortgagor hereunder is required to do, to the extent and in the manner specified in such writing; (c) release any part of the Property, or any interest therein, from the lien and security interest of this Mortgage, or (d) release any party liable, either directly or indirectly, for the Secured Indebtedness or for any covenant herein or in any other instrument now or hereafter securing the payment of the Secured Indebtedness, without impairing or releasing the liability of any other party. No such act shall in any way impair the rights of Mortgagee hereunder except to the extent specifically agreed to by Mortgagee in such writing.

6.5. *Actions by Mortgagee or Lenders.* The lien, security interest and other security rights of Mortgagee and Lenders hereunder shall not be impaired by any indulgence, moratorium or release granted by Mortgagee or Lenders, including but not limited to (a) any renewal, extension, increase or modification which Mortgagee or any Lender may grant with respect to any Secured Indebtedness, (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Mortgagee or any Lender may grant in respect of the Property, or any part thereof or any interest therein (except to the extent specifically surrendered, compromised, released, renewed, extended, exchanged or substituted), or (c) any release or indulgence granted to any endorser, guarantor or surety of any Secured Indebtedness. The taking of additional security by Mortgagee or any Lender shall not release or impair the lien, security interest or other security rights of Mortgagee hereunder or affect the liability of Mortgagor or of any endorser or guarantor or other surety or improve the right of any permitted junior lienholder in the Property.

6.6. *Rights of Mortgagee or Lenders.* Mortgagee or Lenders may waive any Default or other default without waiving any other prior or subsequent Default or other default. Mortgagee or Lenders may remedy any Default or other default without waiving the Default or other default remedied. Neither the failure by Mortgagee or Lenders to exercise, nor the delay by Mortgagee or Lenders in exercising, any right, power or remedy upon any Default or other default shall be construed as a waiver of such Default or other default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Mortgagee of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof or consent to any departure by Mortgagor therefrom shall in any event be effective unless the same shall be in writing and signed by Mortgagee, and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to or demand on Mortgagor in any case shall of itself entitle Mortgagor to any other or further notice or demand in similar or other circumstances. Acceptance by Mortgagee or any Lender of any payment in an amount less than the amount then due on any Secured Indebtedness shall be deemed an acceptance on account only and shall not in any way affect the existence of a Default or other default hereunder.

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6.7. *Reproduction as Financing Statement.* A carbon, photographic or other reproduction of this Mortgage or of any financing statement relating to this Mortgage shall be sufficient as a financing statement.

6.8. *Fixture Filing.* This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Property and is to be filed for record in the real property records of the county where the Property (including said fixtures) is situated. This Mortgage shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to Section 9-103(e) of the Illinois Uniform Commercial Code, as amended, and is to be filed for record in the real property records of the county where the Property is situated. The mailing address of Mortgagor is set forth below the signature of Mortgagor to this Mortgage and the address of Mortgagee from which information concerning the security interest may be obtained is 901 Main Street, 67th Floor, Dallas, Texas 75202. Mortgagor does have an interest of record in the Mortgaged Property.

6.9. *Filing and Recordation.* Mortgagor will cause this Mortgage and all amendments and supplements thereto and substitutions therefor and all financing statements and continuation statements relating hereto to be recorded, filed, re-recorded and refiled in such manner and in such places as Mortgagee shall reasonably request, and will pay all such recording, filing, re-recording and refiling taxes, fees and other charges.

6.10. *Dealing with Successor.* In the event the ownership of the Property or any part thereof becomes vested in a person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to the Secured Indebtedness in the same manner as with Mortgagor, without in any way vitiating or discharging Mortgagor's liability hereunder or for the payment of the Secured Indebtedness. No sale of the Property, no forbearance on the part of Mortgagee or any Lender and no extension of the time for the payment of any of the Secured Indebtedness given by Mortgagee or any Lender shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Mortgagor hereunder or for the payment of the Secured Indebtedness or the liability of any other person hereunder or for the payment of the Secured Indebtedness, except to the extent proceeds of any such sale are applied as provided in Section 3.7.

6.11. *Place of Payment.* All Secured Indebtedness which may be owing hereunder at any time by Mortgagor shall be payable at the place designated in the Loan Papers, or if no such designation is made, at the office of Mortgagee at the address indicated in this Mortgage, or at such other place in the continental United States as Mortgagee may designate in writing.

6.12. *Subrogation.* To the extent that proceeds of the Secured Indebtedness are used to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Property, such proceeds have been advanced by Lenders at Mortgagor's request and Mortgagee shall be subrogated to any and all rights, security interests and liens owned or held by any owner or holder of such outstanding liens, security interests, charges or encumbrances, irrespective of whether said liens, security interests, charges or encumbrances are released; provided, however, that the terms and provisions of this Mortgage shall govern the rights and remedies of Mortgagee and shall supersede the terms, provisions, rights and remedies under and pursuant to the instruments creating the lien or liens to which Mortgagee are subrogated hereunder.

6.13. *Application of Indebtedness.* If any part of the Secured Indebtedness cannot be lawfully secured by this Mortgage or if any part of the Property cannot be lawfully subject to the lien and security interest hereof to the full extent of such indebtedness, then all payments made shall be applied on said indebtedness first in discharge of that portion thereof which is unsecured by this Mortgage.

6.14. *Usury.* It is the intent of Mortgagee, Lenders and Mortgagor in the execution of the Credit Agreement, this Mortgage, the other Loan Papers and all other instruments now or hereafter securing the Secured Indebtedness or executed in connection therewith or under any other written or oral agreement by Mortgagor in favor of Mortgagee and/or Lenders to contract

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in strict compliance with applicable usury law. In furtherance thereof, Mortgagee, Lenders and Mortgagor stipulate and agree that none of the terms and provisions contained in the Credit Agreement, this Mortgage, the other Loan Papers or any other instrument securing the Notes or executed in connection herewith, or in any other written or oral agreement by Mortgagor in favor of Lenders and/or Mortgagee, shall ever be construed to create a contract to pay for the use, forbearance or detention of money, or charging of interest at a rate in excess of the maximum interest rate permitted to be charged by applicable law. Neither Mortgagor nor any guarantors, endorsers, sureties or other parties now or hereafter becoming liable for the Secured Indebtedness or any part thereof shall ever be required to pay interest on secured indebtedness or arising under any instrument securing the Secured Indebtedness or under any of the other Loan Papers, or in any other written or oral agreement by Mortgagor in favor of Lenders and/or Mortgagee, at a rate in excess of the maximum interest that may be lawfully charged under applicable law, and the provisions of this Section 6.14 shall control over all other provisions of the Credit Agreement, this Mortgage, the other Loan Papers and any other instruments now or hereafter securing the Secured Indebtedness or executed in connection herewith or any other oral or written agreements which may be in apparent conflict herewith. All interest paid or agreed to be paid to Lenders and/or Mortgagee shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full period until payment in full of the principal of the Secured Indebtedness so that the interest thereon for such full period shall not exceed the maximum amount permitted by applicable law. Lenders and/or Mortgagee expressly disavow any intention to charge or collect excessive unearned interest or finance charges in the event the maturity of the Secured Indebtedness is accelerated. If the maturity of the Secured Indebtedness shall be accelerated for any reason or if the principal of the Secured Indebtedness is paid prior to the end of the term of the Secured Indebtedness, and as a result thereof the interest received for the actual period of existence of the loan evidenced by the Secured Indebtedness exceeds the applicable maximum lawful rate, Lenders and/or Mortgagee shall refund to Mortgagor the amount of such excess or shall credit the amount of such excess against the principal balance of the Secured Indebtedness then outstanding. In the event that Lenders and/or Mortgagee shall collect monies and/or any other thing of value which are deemed to constitute interest which would increase the effective interest rate on the Secured Indebtedness to a rate in excess of that permitted to be charged by applicable law, an amount equal to interest in excess of the lawful rate shall, upon such determination, at the option of Lenders and/or Mortgagee, be either immediately returned to Mortgagor or credited against the principal balance of the other Secured Indebtedness, without further penalty to such holder. By execution of this Mortgage, Mortgagor acknowledges that it believes the loan to be non-usurious and agrees that if, at any time, Mortgagor should have reason to believe that such loan is in fact usurious, it will give Lenders and/or Mortgagee notice of such condition, and Mortgagor agrees that Lenders and/or Mortgagee shall have 90 days after receipt of such notice in which to make appropriate refund or other adjustment in order to correct such condition if in fact such condition exists. As used in this Section 6.14, "interest" means any sum that must be treated as interest under applicable law in determining whether a loan is usurious. **THE TERM "APPLICABLE LAW" AS USED IN THIS SECTION 6.14 SHALL MEAN THE LAWS OF THE STATE OF TEXAS OR THE LAWS OF THE UNITED STATES, WHICHEVER LAWS ALLOW THE GREATER RATE OF INTEREST, AS SUCH LAWS NOW EXIST OR MAY BE CHANGED OR AMENDED OR COME INTO EFFECT IN THE FUTURE.**

6.15. *Additional Mortgaged Property.* At any time and from time to time (a) prior to the occurrence of a Default or Event of Default but in no event more than once every thirty-six months (or such other more frequent intervals as may be required by any governmental or regulatory authority) or (b) after the occurrence of a Default or Event of Default, during the term of this Mortgage, Mortgagee shall have the right to obtain title insurance, (provided, however, notwithstanding the above, title insurance shall only be required to be obtained one time during the term of the Credit Agreement), Site Assessments (provided, however, the Site Assessments will be initially limited to Phase I Site Assessments and will not be expanded to include additional Site Assessments unless the Determining Lenders determine that the results of such Phase I Site Assessment indicate a potential environmental condition that cannot be properly analyzed or assessed without a Phase II Site Assessment), current surveys and appraisals on the Mortgaged Property and on all or any of the real property collateral covered by any other Deeds of Trust (as defined in the Credit Agreement). Mortgagor agrees to pay all

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reasonable fees, expenses and costs related to such title insurance, environmental reviews and appraisals. If (i) as a result of obtaining any title insurance, Site Assessments, current surveys or appraisals, Mortgagee determines that there exists (A) to the extent not covered by title insurance a defect in title to the Mortgaged Property (including without limitation, any liens, charges, easements or encumbrances against the Mortgaged Property or failure of Mortgagor to have legal title to the Mortgaged Property or any part thereof) other than Permitted Encumbrances (a "Title Defect"), (B) to the extent not covered by title insurance a defect in the lien in the Mortgaged Property granted pursuant to this Mortgage as a result of an incorrect legal description or the failure of this Mortgage to effectively grant a first lien other than Permitted Encumbrances in the Mortgaged Property (a "Lien Defect") or (C) an environmental condition with respect to the Mortgaged Property or any part thereof (an "Environmental Defect") or (ii) any representation and warranty contained in Section 2.1 is false in any material respect (a "Representation Default") or (iii) any covenant and agreement contained in Section 2.2 is not performed or complied with (a "Covenant Default"), the result of which with respect to clauses (i), (ii) or (iii) above collectively (1) causes a reduction in the collateral value of the Mortgaged Property by at least \$250,000 or (2) when taken together with all Title Defects, Lien Defects, Environmental Defects, Representation Defaults and Covenant Defaults with respect to all the property covered by the Deeds of Trust, causes a reduction in the aggregate collateral value of such properties of at least \$8,000,000 (clause (1) or (2) being referred to as a "Collateral Deficiency"), Mortgagor shall, at its option, within 60 days after receipt of written notice from Mortgagee to Mortgagor of such Collateral Deficiency either (a) substitute additional collateral ("Additional Collateral") having a value (determined by Mortgagee using a common method of valuation for property with the Collateral Deficiency and the Additional Collateral) of at least the value of property being replaced without giving effect to the Collateral Deficiency, (b) eliminate the Collateral Deficiency in whole by curing such Title Defect, Lien Defect, Representation Default or Covenant Default to the reasonable satisfaction of Mortgagee or (3) commence and continue procedures to eliminate the Collateral Deficiency in whole by curing such Environmental Defect to the reasonable satisfaction of Mortgagee, unless in the reasonable opinion of Mortgagee such Environmental Defect is not capable of being cured within one year, in which case Mortgagor shall provide the Additional Collateral as set forth in clause (a) above. Knowledge of Mortgagee or any Lender on January 25, 1994 or any date thereafter of any Title Defect, Lien Defect or Environmental Defect shall not prejudice or affect rights of Mortgagee or any Lender hereunder.

6.16. *Notice.* Any notice, request, demand or other communication required or permitted hereunder, or under the Loan Papers, or under any other instrument securing the payment of the Loan Papers (unless otherwise expressly provided therein) shall be given in writing by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (d) prepaid telegram, telex or telecopy, sent to the intended addressee at the address shown on the signature page of this Mortgage (if to Mortgagor) or at the address in Section 6.8 (if to Mortgagee), or to such different address as the addressee shall have designated by written notice sent in accordance herewith, and shall (except as otherwise provided herein) be deemed to have been given and received either at the time of personal delivery or, in the case of delivery service or mail, on the earlier of actual receipt or 3 days after being mailed as provided herein at the address and in the manner provided herein, or in the case of telegram, telex or telecopy, upon receipt.

6.17. *Successors and Assigns.* The terms, provisions, covenants and conditions hereof shall be binding upon Mortgagor, and the representatives, successors and assigns of Mortgagor including all successors in interest of Mortgagor in and to all or any part of the Property, and shall inure to the benefit of Mortgagee and its successors, substitutes and assigns and shall constitute covenants running with the land. All references in this Mortgage to Mortgagor or Mortgagee shall be deemed to include all such heirs, devisees, representatives, successors, substitutes and assigns.

6.18. *Severability.* A determination that any provision of this Mortgage is unenforceable or invalid shall not affect the enforceability or validity of any other provision and any determination that the application of any provision of this Mortgage to any person or

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circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

6.19. *Gender and Number.* Within this Mortgage, words of any gender shall be held and construed to include any other gender, and words in the singular and plural number shall be held and construed to include the other number, unless the context otherwise requires.

6.20. *Counterparts.* This Mortgage may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument.

6.21. *Reporting Requirements.* Mortgagor agrees to comply with any and all reporting requirements applicable to the transaction secured by this Mortgage which are set forth in any law, statute, ordinance, rule, regulation, order or determination of any governmental authority, and further agrees upon request of Mortgagee to furnish Mortgagee with evidence of such compliance.

6.22. *Headings.* The section headings contained in this Mortgage are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several sections hereof.

6.23. *Consent of Mortgagee.* Except where otherwise provided herein, in any instance hereunder where the approval, consent or the exercise of judgment of Mortgagee is required, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Mortgagee, and Mortgagee shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner, regardless of the reasonableness of either the request or Mortgagee's judgment.

6.24. *Modification or Termination.* The Loan Papers may only be modified or terminated by a written instrument or instruments executed by the party against whom enforcement of the modification or termination is asserted. Any alleged modification or termination which is not so documented shall not be effective as to any party.

6.25. **ENTIRE AGREEMENT. THIS MORTGAGE, TOGETHER WITH THE CREDIT AGREEMENT, AND ALL OTHER LOAN PAPERS (ALL AS IN EFFECT ON THE DATE HEREOF AND AS THE SAME MAY BE HEREAFTER FROM TIME TO TIME) REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

6.26. **GOVERNING LAW. THIS MORTGAGE SHALL BE CONSTRUED, INTERPRETED, ENFORCED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS (WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAW) AND THE LAWS OF THE UNITED STATES APPLICABLE TO TRANSACTIONS WITHIN ILLINOIS, EXCEPT (A) AS PROVIDED IN SECTION 6.14 AND (B) THE LAWS OF THE STATE OF TEXAS AND THE LAWS OF THE UNITED STATES APPLICABLE TO TRANSACTIONS WITHIN TEXAS SHALL GOVERN THE CONSTRUCTION, INTERPRETATION, ENFORCEMENT AND GOVERNANCE OF THE CREDIT AGREEMENT AND THE SECURED INDEBTEDNESS.**

6.27. *Revolving Credit Loan.* This Mortgage is given to secure, among other things, a revolving credit loan and shall secure not only presently existing indebtedness but also future advances, whether such advances are obligatory or to be made at the option of Mortgagee or otherwise, as are made within 20 years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage and although there may be no indebtedness hereby secured outstanding at the time any advance is made. The lien of this

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Mortgage shall be valid as to all indebtedness hereby secured, including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the Mortgaged Property is located. The total amount of indebtedness hereby secured may increase or decrease from time to time, but the total unpaid balance of indebtedness hereby secured (including disbursements which Mortgagee may make under this Mortgage or any other documents related thereto) at any one time outstanding shall not exceed a maximum principal amount of ONE HUNDRED EIGHTY FIVE MILLION Dollars (\$185,000,000.00) plus interest thereon and any disbursements made for payment of taxes, special assessments or insurance on the Mortgaged Property and interest on such disbursements (all such indebtedness being hereinafter referred to as the "maximum amount secured hereby"). This Mortgage shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Mortgaged Property, to the extent of the maximum amount secured hereby.

6.28. *Multisite Real Estate Transaction.* Mortgagor acknowledges that this Mortgage is one of several mortgages and other security documents (the aforesaid being together called "Other Security Documents") which secure the Secured Indebtedness. The lien hereof shall not be impaired by any acceptance by Mortgagee of any security for or guarantors upon any of the indebtedness hereby secured, or by any failure, neglect or omission on the part of the Mortgagee to realize upon or protect any of the indebtedness hereby secured or any security therefor including the Other Security Documents. The lien hereof shall not in any manner be impaired or affect by any release (except as to the property released), sale, pledge, surrender, compromise, settlement, renewal, extension, indulgence, alteration, change in, modification or disposition of any of the indebtedness hereby secured or of any of the collateral security therefor, including without limitation, the Other Security Documents or of any guarantee thereof, and Mortgagee may at its discretion foreclose, exercise any power of sale, or exercise any other remedy available to it under any or all of the Other Security Documents without first exercising or enforcing any of its rights and remedies hereunder. Such exercise of Mortgagee's rights and remedies under any or all of the Other Security Documents shall not in any manner impair the indebtedness hereby secured, except to the extent of payment, or the lien of this Mortgage and any exercise of the rights or remedies of Mortgagee hereunder shall not impair the lien of any of the Other Security Documents or any of Mortgagee's rights and remedies hereunder. Mortgagor specifically consents and agrees that Mortgagee may exercise its rights and remedies hereunder and under the Other Security Documents separately or concurrently and in any order that it may deem appropriate.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement on and effective as of this 25th day of January, 1994.

LA QUINTA INNS, INC.,
a Texas corporation

By: 

Name: MICHAEL A. DEKOR

Title: Senior Vice President

Address: 112 E. Pecan Street
San Antonio, Texas 78205

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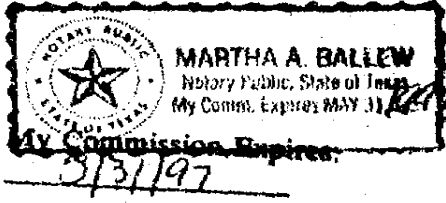
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STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 25th day of January, 1994, by
MICHAEL A. DEPATIE of La Quinta Inns, Inc., a Texas corporation, on behalf
of said corporation.



Martha A. Ballew
Notary Public, State of Texas

MARTHA A. BALLEW
Print name of Notary here

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LIC:LA109A100N076)DOC12114

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EXHIBIT A

REAL PROPERTY DESCRIPTION

Parcel 1:

That part of Lot 1 in Bill Knapp's Resubdivision, a Resubdivision of Lot 4 in Arlington Industrial and Research Center Unit 12 in part of the Northwest 1/4 of Section 7, Township 42 North, Range 11, East of the Third Principal Meridian, according to the plat of said Bill Knapp's Resubdivision recorded July 12, 1983 as Document No. 26683318, described as follows: Beginning at the Southeast corner of said Lot 1; thence Westerly along the South line of said Lot 1, 148.00 feet; thence North at right angles to said last described line, 25.00 feet; thence Easterly parallel with the South line of said Lot 1, 52.00 feet; thence Northerly parallel with the East line of said Lot 1, 141.16 feet to an intersection with a line 30.00 feet, as measured at right angles, Southerly of and parallel with the Northerly line of said Lot 1; thence Westerly along said last described parallel line, 66.26 feet; thence Northerly at right angles to said last described line, 30.00 feet to an intersection with the Northerly line of said Lot 1, thence Easterly along the Northerly line of said Lot 1, 152.00 feet to an angle point in said Northerly line; thence Northeasterly along the Northerly line of said Lot 1, 11.63 feet to the Northeast corner of said Lot 1; thence Southerly along the East line of said Lot 1, 197.00 feet to the place of beginning, in Cook County, Illinois.

Parcel 2:

Lot 1 in Arlington Industrial and Research Center Unit 9, being a Subdivision in part of the Northwest Quarter of Section 7, Township 42 North, Range 11, East of the Third Principal Meridian, according to the plat of Subdivision recorded September 24, 1976 as Document 23650671 in the Office of the Recorder of Deeds, in Cook County, Illinois.

Parcel 3:

Common access and cross-parking easement for the benefit of Parcel 1 and Parcel 2 as created by instrument dated May 29, 1987 and recorded April 19, 1988 as Document 88160821 made by and between La Quinta Motor Inns, Inc., a Texas corporation and Bill Knapp's Properties, Inc., a Michigan corporation, in, to, over, across and through the common areas consisting of the driveways, entrances, exists, parking and driveway areas through the following described land:

That part of Lot 1 in Bill Knapp's Resubdivision, a Resubdivision of Lot 4 in Arlington Industrial and Research Center Unit 12, in part of the Northwest 1/4 of Section 7, Township 42 North, Range 11, East of the Third Principal Meridian, according to the plat of said Bill Knapp's Resubdivision recorded July 12, 1983, as Document No. 26683318, with exception to the following described Parcel:

Beginning at the Southeast corner of said Lot 1; thence Westerly along the South line of said Lot 1, 148.00 feet; thence North at right angles to said last described line, 25.00 feet; thence Easterly parallel with the South line of said Lot 1, 52.00 feet; thence Northerly parallel with the East line of said Lot 1, 141.16 feet to an intersection with a line 30.00 feet, as measured at right angles, Southerly of and parallel with the Northerly line of said Lot 1; thence Westerly along said last described parallel line, 66.26 feet; thence Northerly at right angles to said last described line 30.00 feet to an intersection with the Northerly line of said Lot 1, 152.00 feet to an angle point in said Northerly line of said Lot 1, 11.63 feet to the Northeast corner of said Lot 1, thence Southerly along the East line of said Lot 1, 197.00 feet to the place of beginning, in Cook County, Illinois for ingress and egress by pedestrian and vehicular traffic.

But limiting parking to the following described parcel:

"That part of Lot 1 in Bill Knapp's resubdivision, a resubdivision of Lot 4 in Arlington Industrial and Research Center Unit 12 in part of the Northwest 1/4 of Section 7, Township 42 North, Range 11, East of the Third Principal Meridian, according to the plat of said Bill

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Knapp's Resubdivision recorded July 12, 1983 as Document No. 26683318, described as follows:

Beginning at the Southeast corner of said Lot 1; thence Westerly along the South line of said Lot 1, 148.00 feet to the True Point of Beginning; thence continue Westerly along the South line of said Lot 1, 14.00 feet; thence Northerly 171.94 feet as measured at right angles; thence South 84 degrees 57 minutes 59 seconds East 66.26 feet to a point; thence South 0 degrees 00 minutes 00 seconds East 141.16 feet to a point; thence North 90 degrees 00 minutes 00 seconds West 52.00 feet to a point; thence South 0 degrees 00 minutes 00 seconds East 25.00 feet to the True Point of Beginning, in Cook County, Illinois." As shown in Modification Agreement Recorded September 25, 1989, as Document 89,451,527.

Parcel 4:

Storm Drainage Easement, made by and between Bill Knapp's Properties, Inc., a Michigan Corporation and La Quinta Motor Inns., Inc. a Texas Corporation, recorded November 15, 1988, as Document 88,526,268, and affecting the following described portion of the land:

That part of Lot 1 in Bill Knapp's Resubdivision, a resubdivision of Lot 4 in Arlington Industrial and Research Center Unit 12 in part of the Northwest 1/4 of Section 7, Township 42 North Range 11 East of the Third Principal Meridian, according to the plat of said Bill Knapp's Resubdivision recorded July 12, 1983 as Document No. 26683318, described as follows:

Beginning at the Southeast corner of said Lot 1; thence Westerly along the South line of said Lot 1, 148.00 feet to the true point of beginning; thence continue Westerly along the South line of said Lot 1, 14.00 feet; thence Northerly 171.97 feet as measured at right angles; thence South 89 degrees 57 minutes 59 seconds East 66.26 feet to a point; thence South 0 degrees 00 minutes 00 seconds East 14 feet to a point; thence North 0 degrees 00 minutes 00 seconds East 52.00 feet to a point; thence South 0 degrees 00 minutes 00 seconds East 25.00 feet to the true point of beginning.

Parcel No.: 03-07-102-014, 03-07-102-015 and 03-07-102-003

Property Address: 1415 W. Dundee Road
Arlington Heights, Illinois 60004

Cook County, Illinois, Property No. 679

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EXHIBIT B

PERMITTED ENCUMBRANCES

1. Order establishing freeway and route location decision, both recorded August 29, 1962 as Documents 18576703 and 18576704 respectively, purporting to give notice by the Department of Public Works and Buildings, Division of Highways, State of Illinois, of the intent of said body to establish a freeway on, over, across or contiguous to the land in a manner which will permit access between said freeway and abutting lands only at entrances provided for said purposes.

(Affects underlying of Parcel 1).

2. Restrictive Covenants recorded September 24, 1976 and as Document 23650672 made by LaSalle National Bank, as Trustee under Trust Agreement dated September 13, 1964 known as Trust Number 32798 providing the owner shall install sidewalks and street lights as required by the Village of Arlington Heights.

(Affects underlying of Parcel 1).

3. The following relate to the plat of Bill Knapp's Resubdivision, recorded July 12, 1983 as Document 26633318, being a Resubdivision of Lot 4 in Arlington Industrial and Research Center Unit 12, being a subdivision in part of the Northwest 1/4 of Section 7, Township 42 North, Range 11 East of the third principal meridian, according to the plat thereof recorded July 13, 1978 as Document 24533497, in Cook County, Illinois:

(a) Reservation and grant of a non exclusive access right to the Village of Arlington Heights and their respective successors and assigns for the installation, maintenance, relocation, renewal and removal of manholes, inlets, catch basins, sanitary lines and appurtenances, storm sewer lines and appurtenances, watermains and appurtenances and all other equipment and appurtenances necessary for the purpose of providing the subdivision and adjoining property with sanitary storm and water services over, under and upon the land as shown on the plat of resubdivision.

(b) 50 foot building line as shown on plat of resubdivision over part of the North line of Lot 1

(c) 20 foot public utilities, sewer, and drainage easement as shown on plat of resubdivision on plat of resubdivision over the east 20 feet of Lot 1.

(Affects Parcel 1).

4. Onsite Utility Maintenance Agreement relating to sanitary sewers, storm sewers and watermains made by "The Owners of Bill Knapp's Restaurant" dated July 24, 1983 as Document 26707494.

(Affects Parcel 1).

5. Onsite Utility Maintenance Agreement relating to sanitary sewers, storm sewers and watermains made by "The Owners of Bill Knapp's Restaurant" recorded February 22, 1985 as Document 27451208.

(Affects Parcel 1).

6. Restrictive Covenant contained in the Warranty Deed from Bill Knapp's Properties, Inc., a Michigan corporation, to La Quinta Motor Inns, Inc., a Texas corporation, dated May 27, 1987 and recorded May 29, 1987 as Document 87289139 restricting the land from use as a restaurant, cafeteria or similar facility.

(Affects Parcel 1).

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7. Order establishing freeway and route location decision both recorded August 29, 1962 as Document Number 18576703 and 18576704, respectively, purporting to give notice by the Department of Public Works and Buildings, Division of Highways, State of Illinois of the intent of said body to establish a freeway on, over, across or contiguous to the land in a manner which will permit access between said freeway and abutting lands only at entrances provided for said purposes

(Affects Parcel 2).
8. Utility, drainage and access easement over the North 32 feet and the Northwesterly 32 feet of the land according to the plat thereof recorded as Document 23650671

(Affects Parcel 2).
9. 11 foot additional drainage easement South and adjoining easement shown at exceptions REFS# 3 above as shown on plat aforesaid

(Affects Parcel 2).
10. A 50 foot building line along the North and Northwesterly lot lines, as disclosed by Edward J. Madley and Associates Survey, order Number 862350 dated March 10, 1987, last revised April 10, 1987

(Affects Parcel 2).
11. Declaration of Restriction made by La Quinta Motor Inns, Inc., dated May 29, 1987 and recorded April 19, 1988 as Document 88160823 relating to: no part of land shall be developed and used as a restaurant, cafeteria or other similar facility, and all covenants, conditions and restrictions contained therein.
12. Common access and cross parking easement in, to, over, across and through the common areas consisting of the driveway, entrances, exists and parking and driveway areas through Parcel 1 and Parcel 2 for ingress and egress by pedestrian and vehicular traffic made by and between La Quinta Motor Inns, Inc., and Bill Knapp's Properties, Inc. recorded April 19, 1988 as Document 88160821.
13. Building line as shown on the plat of said subdivision resubdivision recorded as Document 22024211.

(Affects the northerly 50 feet of Parcel 2).
14. Restrictive covenants recorded as Document 23650672 made by LaSalle National Bank, as Trustee under Trust Agreement dated September 13, 1964 and known as Trust No. 32798, providing that owner shall install sidewalks and street lights as required by the Village of Arlington Heights.

(Affects Parcel 2).
15. Requirements for Storm Water Detention recorded March 9, 1977 as Document 23844485.

(Affects Parcel 2).
16. (a) Liens on real estate for real estate taxes not yet delinquent, (b) liens created by lease agreements to secure the payments of rental amounts and other sums not yet due thereunder, (c) liens on leasehold interests created by the lessor in favor of any mortgagee of the leased premises, and (d) liens for taxes, assessments, governmental charges, levies or claims that are being diligently contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on the books of La Quinta Inns, Inc., but only so long as no foreclosure, restraint, sale or similar proceedings have been commenced with respect thereto.

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- 17. Liens of carriers, warehousemen, mechanics, laborers and materialmen and other similar liens incurred in the ordinary course of business for sums not yet due or being contested in good faith, if such reserve or appropriate provision, if any, as shall be required by GAAP shall have been made therefor by La Quinta Inns, Inc.
- 18. Liens incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or similar legislation.

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