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THIS INSTRUMENT PREPARED BY:
G. Monique Escudero, Esquire
Arent Fox Kintner Plotkin & Kahn
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5339

COOK COUNTY, ILLINOIS
FILED FOR RECORD

94 MAY -4 AM 12:36

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AND WHEN RECORDED RETURN TO:

State Street Bank and Trust Company)
225 Franklin Street)
Boston, Massachusetts 02110)
Attn: Paul Bavis)
Securities Incoming)
Concourse Level)
Ref: SKW Real Estate)

MORTGAGE, SECURITY AGREEMENT AND
ASSIGNMENT OF LEASES AND RENTS

Dated as of the 1st day of April, 1994,

BY

SKW REAL ESTATE LIMITED PARTNERSHIP, a Delaware limited
partnership having an office at 11 Canal Center Plaza,
Alexandria, Virginia 22314 ("Mortgagor")

TO

STATE STREET BANK AND TRUST COMPANY, having an office at 225
Franklin Street, Boston Massachusetts 02110 ("Mortgagee"), as
Trustee under that certain Indenture ("Indenture") more fully
identified in Exhibit B attached hereto and incorporated herein
by reference.

WITNESSETH:

WHEREAS, Mortgagor is the issuer and Mortgagee is the
trustee under the Indenture pursuant to which Mortgagor has
issued certain Secured Notes ("Notes"), in each case in
substantially the tenor and amounts set forth in the Indenture,
which Indenture contains certain other terms and conditions all
of which are specifically incorporated herein by reference;

State of Illinois

Farmgate/MELL-10070 (29)

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WHEREAS, this Mortgage is made pursuant to the Indenture, and each and every term and provision of the Indenture, including the rights, remedies, covenants, conditions, agreements, indemnities, representations and warranties of the Mortgagor therein (except for the governing law provisions thereof) are incorporated herein;

NOW, THEREFORE, in consideration of the proceeds of the issuance of said Notes and as security for and to secure (i) the payment of \$ 1,064,010 of the principal of said Notes together with interest thereon, (ii) the payment of all other sums payable thereunder or hereunder or secured by the Indenture or any extensions, renewals, refundings, refinancings or modifications thereof, and (iii) the observance and performance of each of the other covenants, agreements and conditions herein contained or herein incorporated or contained in any of the Notes (all such secured obligations being hereinafter called the "Debt"), Mortgagor hereby mortgages, pledges, assigns, transfers, grants a lien on and/or a security interest in and warrants to Mortgagee, its successors and assigns the following property:

ALL of Mortgagor's estate, right, title and interest in and to that certain land or piece of ground described on Exhibit A attached hereto and incorporated herein by reference (the "Land");

TOGETHER with all of Mortgagor's estate, right, title and interest in and to the buildings and improvements now or hereafter erected thereon (the "Improvements"), the tenements, hereditaments and appurtenances thereto belonging and the reversions, remainders, rents, issues and profits thereof; and

TOGETHER with all estate, right, title and interest of Mortgagor in and to the following additional property (the "Additional Collateral"):

(a) all fixtures, fittings, appliances, apparatus, equipment, machinery, chattels, building materials and articles of personal property and replacements thereof and additions thereto (the "Fixtures") now or at any time hereafter affixed to or attached to or placed upon or used in any way in connection with the complete and comfortable use, enjoyment or occupancy for operation and maintenance of the Improvements (excepting any personal property owned by any tenant occupying the Improvements or any part thereof and used by such tenant in the use or occupancy of the space occupied by it to the extent the same does not become the property of Mortgagor under the lease or other agreement with such tenant or pursuant to applicable law) together with all replacements thereof and additions thereto;

(b) all equipment (as such term is defined in the Code (as defined below)), now owned, or hereafter acquired by Mortgagor

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and located at or used in connection with the Land or the Improvements, together with all attachments, components, parts, equipment and accessories installed thereon or attached thereto and all replacements thereof and additions thereto;

(c) all space or occupancy leases in respect of the Land or the Improvements or any other license or agreement relating to the use or occupancy thereof, now or hereafter entered into;

(d) the permits, licenses and rights in and to the use, occupation and operation of the Land and Improvements and any part thereof;

(e) all rights of way or use, air rights, water rights (whether riparian, appropriative, or otherwise), utility rights, privileges, franchises, servitudes, easements, tenements, hereditaments and appurtenances now or hereafter belonging or appertaining to any of the foregoing or to the Land, and all of Mortgagor's right, title and interest in and to any streets, ways, alleys, roadbeds, inclines, tunnels, culverts, strips or gores of land adjoining or serving the Land or any part thereof, whether now owned or hereafter acquired by Mortgagor;

(f) any and all deposits made under any conditional bill of sale, chattel mortgage or security interest (other than that evidenced hereby) to which any collateral described in (a) above is subject, together with the benefit of any payments now or hereafter made thereon;

(g) any and all leases relating to equipment and other personal property used or useful in connection with the use, operation and maintenance of the Improvements or the Fixtures, any options to purchase the same and any payments now or hereafter made thereon;

(h) all the Rents (as defined below in Paragraph (4)(a)) and any cash or securities deposited under Leases (as defined below in Paragraph (4)(a)) to secure performance by lessees of their obligations thereunder, whether such cash or securities are to be held until the expiration of the terms of such Leases or applied to one or more installments of Rent coming due prior to the expiration of such terms;

(i) any and all awards, damages, payments and other compensation and any and all claims therefor and rights thereto which may result from taking or injury by virtue of the exercise of the power of eminent domain or any damage, injury or destruction in any manner caused to, the Land, the Improvements, the Fixtures or any part thereof, or from any change of grade or vacation of any street abutting thereon;

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(j) all unearned premiums accrued, accruing or to accrue under any and all insurance policies now or hereafter obtained by Mortgagor with respect to the Land, the Improvements or the Fixtures;

(k) any and all monies now or hereafter on deposit for the payment of real estate taxes or special assessments against the Land or for the payment of premiums on policies of fire and other hazard insurance covering the herein-described collateral or the Land; and

(l) all the proceeds of the foregoing, both cash and noncash;

TO HAVE AND TO HOLD by Mortgagee and its successors and assigns, pursuant to the Indenture.

All of the real and personal property described above, including without limitation the Land, the Improvements and the Additional Collateral, are hereinafter collectively called the "Mortgaged Premises."

Mortgagor hereby agrees that Mortgagee shall have, and grants to and creates in favor of Mortgagee, a security interest under the Uniform Commercial Code of the state in which the Land is located (the "Code") in and to the Additional Collateral to the extent covered by the Code.

Mortgagor hereby binds itself and its successors and assigns to warrant and forever defend the Mortgaged Premises unto Mortgagee and its successors and assigns against the claim or claims of all parties claiming or to claim the same or any part thereof.

This Mortgage, Security Agreement and Assignment of Leases and Rents (this "Mortgage") is executed and delivered subject to the following covenants, conditions and agreements:

(1) As provided in Article Six of the Indenture, if an Event of Default, as such term is defined in the Indenture, occurs and is continuing, Mortgagee may take such actions hereunder or pursuant to the Indenture as may be necessary to collect the Debt, may exercise all available remedies pursuant to the Indenture, and may exercise any or all of its rights and remedies with respect to the Mortgaged Premises whether at law or in equity under this Mortgage. Without limiting the foregoing, foreclosure proceedings may be brought forthwith on this Mortgage and prosecuted to judgment, execution and sale for the collection of the same, together with costs of suit and a reasonable attorney's fees, or Mortgagee shall, to the extent permitted by law, with or without first taking possession, have the full power and authority to sell the Mortgaged Premises, in whole or in

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part, at public auction in the state where the Mortgaged Premises are situated, or at such place as may be required by law after having first given notice of such sale by publication as required by law. The Mortgaged Premises or any parts thereof or interest therein may, at the discretion of the Mortgagee, be sold separately in one or more parcels in any order or manner, or together as one combined parcel. Mortgagee may adjourn such sale from time to time by announcement at the time and place appointed for such sale or adjourned sale, and upon such sale, Mortgagee may make and deliver to any purchaser a good and sufficient deed, conveyance or bill of sale and good and sufficient receipts for the purchase money, and do and perform all other acts as may be necessary to effect such sale. Mortgagor hereby forever waives and releases all errors in said proceedings, waives stay of execution, the right of reinstatement, the right of redemption and waives all exemptions from levy and sale of any property that now is or hereafter may be exempted by law. In any action to foreclose this Mortgage, Mortgagee shall be entitled to the appointment of a receiver without notice to the Mortgagor or any other person. Mortgagee may be appointed as such receiver. Any receiver shall have the power, in accordance with law: (a) to collect the rents, issues and profits of the Mortgaged Premises during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits; (b) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Notes and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interest in the Mortgaged Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from any judgment or decree of foreclosure, satisfaction of the Debt, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchase; and (c) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in its hands in payment in whole or in part to: (x) the Debt or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to any foreclosure sale; and (y) the deficiency in case of a sale and deficiency.

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(2) In any suit to foreclose the lien hereof or in any other action to enforce any other remedy of Mortgagee under this Mortgage or with respect to any of the other Debt, there shall be allowed and included as additional indebtedness in the decree for sale, judgment of foreclosure or other judgment or decree all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees and expenses, paralegals' fees, appraiser's fees, outlay for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title and value as Mortgagor may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale pursuant to such decree the true condition of the title to or the value of the Mortgaged Premises. All expenditures and expenses of the nature described in this Paragraph and such additional expenses and fees as may be incurred in the protection of the Mortgaged Premises and the maintenance of the lien of this Mortgage, including but not limited to the fees and expenses of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Debt or the Mortgaged Premises, including bankruptcy proceedings, or in the preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the default rate described in the Notes and shall be secured by this Mortgage. At any foreclosure sale, Mortgagee may bid for and acquire the Mortgaged Premises or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting the amount of Debt against the sale price.

(3) Mortgagee shall have, in respect of so much of the Mortgaged Premises as may be covered by the Code, such rights and remedies as are provided by the Code and such other rights and remedies in respect thereof which it may have at law or in equity or under this Mortgage, any or all of which may be exercised after an Event of Default has occurred, including without limitation the rights to take possession of such portion of the Mortgaged Premises wherever located and to sell all or any portion thereof at public or private sale (after 10 days' prior written notice), at such place or places and at such time or times and in such manner and upon such terms, whether for cash or on credit, as Mortgagee in its discretion may determine. Mortgagee shall apply the proceeds of any such sale in the manner provided by the Indenture to the extent permitted by law. Upon the occurrence of any Event of Default, Mortgagor, upon demand by Mortgagee, shall promptly assemble any equipment and fixtures included in the Mortgaged Premises and make them available to Mortgagee at a place to be designated by Mortgagee which shall be reasonably convenient to Mortgagee and Mortgagor.

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(4) Leases and Assignment of Rents.

(a) As used in this Mortgage: (i) "Lease" means any ground lease, space lease, sublease, or other agreement (oral or written) under the terms of which any person other than Mortgagor has or acquires any right to occupy, use or manage the Mortgaged Premises, or any part thereof or interest therein; (ii) "Lessee" means the lessees, sublessee, tenant or other person having the right to occupy, use or manage the Mortgaged Premises, or any part thereof, under a Lease; and (iii) "Rents" mean the rents, issues, profits, royalties, bonuses, revenue, income and other benefits derived from the Mortgaged Premises or arising from the use or enjoyment of any portion thereof or from any Lease and liquidated damages following defaults under any Lease, and all proceeds payable under any policy of insurance covering loss of rents.

(b) Mortgagor hereby assigns to Mortgagee all Rents payable under each Lease now or at any time hereafter existing, such assignment being upon the following terms: (i) prior to the occurrence of an Event of Default, as defined in the Indenture, Mortgagor shall have a license to collect the Rents and apply such Rents in the manner required by the Indenture; (ii) after the occurrence of an Event of Default, as defined in the Indenture, (a) each Lessee shall pay Rents directly into a Servicing Account for same or next day deposit into a Collection Account pursuant to Section 90 of the Indenture for the use and benefit of the holders of the Note; (b) the receipt of Rents by Mortgagee shall be a release of such Lessee to the extent of all amounts so paid; (c) Rents so received by Mortgagee shall be applied by Mortgagee in accordance with the terms of the Indenture; and (d) Mortgagee shall not be liable for Mortgagee's failure to collect, or its failure to exercise diligence in the collection of, Rents, but shall be accountable only for Rents that it shall actually receive; and (iii) this assignment shall terminate upon the release of this Mortgage but no Lessee shall be required to take notice of termination until a copy of such release shall have been delivered by such Lessee. As between Mortgagee and Mortgagor, and any person claiming through or under Mortgagor, the assignment contained in this paragraph (b) is intended to be absolute, unconditional and presently effective.

(c) Nothing in this paragraph (4) shall be construed as subordinating this Mortgage to any Lease.

(d) Mortgagor covenants to, upon demand by Mortgagee, assign to Mortgagee, by separate instrument in form and substance satisfactory to Mortgagee, any or all Leases, and the Rents payable thereunder which may be executed after the date hereof.

(5) To the extent permitted by law, in any case in which under the provisions of this Mortgage, Mortgagee has a right to

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foreclose the lien hereof. Mortgagor shall, forthwith, upon demand by Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take actual possession of, the Mortgaged Premises or any part thereof personally or by its agent or attorneys. In such event, Mortgagee in its discretion may, in accordance with law, enter upon and take and maintain possession of all or any part of the Mortgaged Premises together with all documents, books, records, papers, and accruals of Mortgagor or the then owner of the Mortgaged Premises relating thereto and may exclude Mortgagor, its agents or servants wholly therefrom and may, as attorney in fact, as agent for Mortgagor or in its own name as Mortgagee, and to the extent permitted by law, hold, operate, manage and control the Mortgaged Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Mortgaged Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power: (a) to cancel or terminate any Lease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof; (c) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new Leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Notes and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, satisfaction of the Debt, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchase; (d) to make all necessary or proper repairs, decorating renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Premises as to it may seem judicious; (e) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (f) to receive all of such avails, Rents, issues and profits; Mortgagor hereby granting Mortgagee full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor. Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability under any Leases. Mortgagor shall and does hereby agree to indemnify and

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hold Mortgagee harmless of and from any and all liability, loss or damage which Mortgagee may or might incur by reason of its performance of any action authorized under this Paragraph and of and from any and all claims and demand whatsoever which may be asserted against Mortgagee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements of Mortgagor.

(6) This Mortgage is intended to constitute a financing statement filed as a fixture filing in accordance with the applicable provisions of the Code. The debtor is the Mortgagor and the secured party is the Mortgagee and their addresses are those set forth at the beginning of this Mortgage. Certain of the Mortgaged Premises is or will become "fixtures" (as that term is defined in the Code) on the Land and this Mortgage, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of the Code upon such of the Mortgaged Premises that is or may become fixtures.

(7) All notices, demands, consents, requests or other communications (collectively, "notices") which are permitted or required to be given by either party to the other hereunder shall be in writing and shall be delivered in accordance with Section 105 of the Indenture.

(8) This Mortgage shall be governed and enforced in accordance with the laws and decisions of the state where the Land is located.

(9) Mortgagee acknowledges that Mortgagor may sell and obtain a release of the Mortgaged Premises from this Mortgage in accordance with the terms of the Indenture.

(10) Any provision of this Mortgage which is unenforceable in the state in which the Mortgage is filed or recorded or is invalid or contrary to the law of such state, or the inclusion of which would affect the validity, legality of enforcement of this Mortgage, shall be of no effect, and in such case all the remaining terms and provisions of the Mortgage shall survive and be fully effective according to the tenor of this Mortgage as though no such invalid portion had ever been included herein.

(11) All rights and remedies of Mortgagee under this Mortgage and any and all other instruments evidencing or securing the indebtedness are cumulative and concurrent and Mortgagee shall have all rights, remedies and recourse available at law or in equity.

(12) The covenants, conditions and agreements contained in this Mortgage shall bind, and the benefits thereof shall inure

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to, the respective parties hereto and their respective heirs, executors, successors and assigns.

WITNESS the due execution hereof the day and year first above written.

SKW REAL ESTATE LIMITED
PARTNERSHIP, a Delaware limited
partnership

ATTEST:

By: JER SKW Services, Inc., a
Virginia corporation, its
managing general partner

By:

M. N. Guntz
Name: Murry N. Guntz
Assistant Secretary

By:

D. T. Ward
Daniel T. Ward
Vice President

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

I, Bella P. Burgos, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY THAT Daniel T. Ward and Murry N. Guntz, the Vice President and Assistant Secretary of JER SKW Services, Inc., a Virginia corporation and the general partner of SKW Real Estate Limited Partnership, a Delaware limited partnership, personally known to me to be the persons whose names are subscribed to the foregoing instrument as such Vice President and Assistant Secretary, appeared before me this day in person and acknowledged that they signed and delivered said instrument as such officers of said Corporation, as their own free and voluntary act and as the free and voluntary act of the corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 19th day of April, 1994.

Bella P. Burgos
Notary Public

My commission expires:

BELLA P BURGOS
Notary Public, State of New York
No. 41-4964321
Qualified in Queens County
Certificate Filed in New York County
Commission Expires April 2, 1996

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Farmgate
GS/JER Control No. MELL-10070
Original Property/Control No. 29

Exhibit A

PARCEL 1:

LOT 1 IN THE FARMGATE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE NORTH 1/2 OF THE NORTHWEST 1/4 OF SECTION 27, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 12, 1917 AS DOCUMENT 24055984, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

PERPETUAL, NON-EXCLUSIVE EASEMENT APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 FOR THE PURPOSE OF OPERATING, MAINTAINING, REPAIRING, REPLACING AND RENEWING A SIGN AND RELATED UTILITIES, AS CREATED BY SHOPPING CENTER EASEMENT AGREEMENT DATED JULY 27, 1989 AND RECORDED MARCH 12, 1990 AS DOCUMENT 90110612 BY AND BETWEEN AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED OCTOBER 1, 1988 AND KNOWN AS TRUST NUMBER 106741-09 AND MCDONALD'S CORPORATION, OVER, ABOVE, ALONG, UNDER AND ACROSS THE FOLLOWING DESCRIBED PARCEL OF LAND:

THE NORTH 15.0 FEET OF THE EAST 28.0 FEET OF LOT 2 IN THE FARMGATE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 12, 1977 AS DOCUMENT NUMBER 24055984, IN COOK COUNTY, ILLINOIS.

PIN# 07-27-101-007

520-580 Kroll Rd. Schaumburg

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EXHIBIT B

1. Indenture from SKW Real Estate Limited Partnership to State Street Bank and Trust Company, Trustee dated as of April 15, 1994.

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