

CONSTRUCTION MORTGAGE, ASSIGNMENT OF LEASES
AND RENTS, SECURITY AGREEMENT,
FINANCING STATEMENT and GRANT OF EASEMENT

Dated as of August 3, 1995

between

INTERNATIONALE NEDERLANDEN (U.S.) CAPITAL CORPORATION

a Delaware corporation having a business address at

135 East 57th Street
New York, New York 10022

(the "Mortgagee")

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COOK COUNTY RECORDER

FORTY EAST ASSOCIATES, L.P.

a Delaware limited partnership having its address at

625 North Michigan Avenue
Suite 2000
Chicago, Illinois 60611

(the "Borrower")

and

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO,

as trustee under agreement dated July 25, 1995
and known as Trust No. 120631-03
having a business address at

33 North LaSalle Street
Chicago, Illinois 60602

(the "Land Trustee")

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CONSTRUCTION MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, FINANCING STATEMENT and GRANT OF EASEMENT

THIS CONSTRUCTION MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, FINANCING STATEMENT and GRANT OF EASEMENT (herein sometimes called "Mortgage") is made as of AUGUST 3, 1995, by and between: FORTY EAST ASSOCIATES, L.P., (the "Borrower"), a limited partnership duly organized and validly existing under the laws of the State of Delaware and having its office at 625 North Michigan, Suite 2000, Chicago, Illinois 60611, and AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO (the "Land Trustee"), not individually but as Trustee under the provisions of a Trust Agreement dated July 25, 1995, and known on such Trustee's records as Trust No. 120631-03 (the "Trust"), having its principal office at 33 North LaSalle Street, Chicago, Illinois 60602 (herein, the Borrower and the Land Trustee, individually and collectively, jointly and severally, together with the successors and assigns of each of them, are sometimes called the "Mortgagor"); and INTERNATIONALE NEDERLANDEN (U.S.) CAPITAL CORPORATION, a Delaware corporation having a business office at 135 East 57th Street, New York, New York 10022 (herein, together with its successors and assigns, called the "Mortgagee").

R E C I T A L S:

A. Loan Agreement and Loan Amount. The Land Trustee is (or simultaneously with the recordation hereof will become) the owner of the land (the "Land") described on Exhibit A attached hereto. The Borrower is the owner of the entire beneficial interest in, to and under, and the holder of all rights (including, without limitation, the power to direct the Land Trustee) concerning, the Trust. To provide funds for the acquisition of, and the construction of improvements on, the Land, the submission of the Land to the provisions of the Illinois Condominium Property Act, and the operation and marketing of the Land, the Mortgagor and the Mortgagee have entered into a Loan Agreement (herein, as it may from time to time be amended, supplemented or modified, referred to as the "Loan Agreement") bearing even date herewith providing for the Borrower's performance of certain covenants, satisfaction of certain conditions and making of certain representations and warranties and for loans and advances to be made from time to time by the Mortgagee to or for the account and benefit of the Borrower pursuant to the terms and conditions set out therein, in amounts not to exceed in the aggregate Six Million Two Hundred Thousand Dollars (\$6,200,000.00) (herein, such amount is called the "Loan Amount"). Any term capitalized but not specifically defined in this Mortgage, which is capitalized and defined in the Loan Agreement, shall have the same meaning for purposes of this Mortgage as it has in and for purposes of the Loan Agreement.

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B. Note, Principal and Interest. Pursuant to the Loan Agreement, the Mortgagor has executed and delivered to the Mortgagee a promissory note dated the date hereof, in the face principal amount of \$6,200,000.00, payable to the order of the Mortgagee at New York, New York, and due and payable in full if not sooner paid (or if the maturity thereof is not extended as provided in the Loan Agreement) on or before July 31, 1997, subject to acceleration as provided in such promissory note, in the Loan Agreement or in this Mortgage (herein, such promissory note, together with any and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof or which may evidence any of the indebtedness secured hereby, shall be called the "Note"). The Note bears interest as provided in the Note, on the principal amount thereof from time to time outstanding; all principal of and interest on the Note is payable in lawful money of the United States of America at the office of the Mortgagee in New York, New York, or at such place as the holder thereof may from time to time appoint in writing. The Mortgagor is or will become justly indebted to the Mortgagee in the Loan Amount in accordance with the terms of the Loan Agreement.

C. Other Security Documents. Pursuant to the Loan Agreement, the Mortgagor has executed and delivered to the Mortgagee this Mortgage and other Security Documents (defined for purposes hereof as defined in the Loan Agreement).

D. The Liabilities. As used in this Mortgage, the term "Liabilities" means and includes all of the following: the principal of, interest on and any and all other amounts which may at any time be or become due or owing under the Note; all indebtedness of any kind arising under, and all amounts of any kind which may at any time be or become due or owing to the Mortgagee under or with respect to, the Loan Agreement or any of the Loan Papers (defined for purposes hereof as defined in the Loan Agreement); all of the covenants, obligations and agreements (and the truth of all representations and warranties) of the Mortgagor in, under or pursuant to the Loan Agreement, the Note, this Mortgage, and all of the other Security Documents; any and all advances, costs or expenses paid or incurred by the Mortgagee to protect any or all of the Collateral (hereinafter defined), perform any obligation of the Mortgagor hereunder or collect any amount owing to the Mortgagee which is secured hereby; any and all other liabilities, obligations and indebtedness, howsoever created, arising or evidenced, direct or indirect, absolute or contingent, recourse or "nonrecourse", now or hereafter existing or due or to become due, owing by either or both of the Land Trustee and the Borrower to the Mortgagee (provided, however, that the maximum amount included within the Liabilities on account of principal shall not exceed the sum of an amount equal to two times the Loan Amount plus the total amount of all advances made by the Mortgagee to protect the Collateral and the security interest and lien created hereby); interest on all of the foregoing; and all costs

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(including, without limitation, attorneys' fees and expenses) of enforcement and collection of the Note, this Mortgage and the other Security Documents, and the other documents, instruments, obligations and liabilities described hereinabove.

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

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

(ii) Improvements and Fixtures. All buildings, structures, replacements, furnishings, fixtures, fittings and other improvements and property of every kind and character now or hereafter located or erected on the Real Estate, together with all building or construction materials, equipment, appliances, machinery, plant equipment, fittings, apparatus, fixtures and other articles of any kind or nature whatsoever now or hereafter found on, affixed to or attached to the Real Estate, including (without limitation) all motors, boilers, engines and devices for the operation of pumps, and all heating, electrical, lighting, power, plumbing, air conditioning, refrigeration and ventilation equipment (all of the foregoing is herein referred to collectively as the "Improvements");

(iii) Personal Property. All building materials, goods, construction materials, appliances (including stoves, refrigerators, water fountains and coolers, fans, heaters, incinerators, compactors, dishwashers, clothes washers and dryers, water heaters and similar equipment), supplies, blinds, window shades, carpeting, floor coverings, elevators, office equipment, growing plants, fire sprinklers and alarms, control devices, equipment (including motor vehicles and all window cleaning, building cleaning, swimming pool, recreational, monitoring, garbage, air conditioning, pest control and other equipment), tools, furnishings, furniture,

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light fixtures, non-structural additions to the Premises (defined hereinafter), and all other tangible property of any kind or character now or hereafter owned by the Mortgagor and used or useful in connection with the Premises, any construction undertaken in or on the Premises, any trade, business or other activity (whether or not engaged in for profit) for which the Premises is used, the maintenance of the Premises or the convenience of any guests, licensees or invitees of the Mortgagor, all regardless of whether located in or on the Premises or located elsewhere for purposes of fabrication, storage or otherwise (all of the foregoing is herein referred to collectively as the "Goods");

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

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

(vi) Leases. All rights of the Mortgagor under all leases, licenses, occupancy agreements, concessions or other arrangements, whether written or oral, whether now existing or entered into at any time hereafter, whereby any person agrees to pay money or any consideration for the use, possession or occupancy of, or any estate in, the Premises or any part thereof, and all rents, income, profits, benefits, avails, advantages and claims against guarantors under any thereof (all of the foregoing is herein referred to collectively as the "Leases");

(vii) Plans. All rights of the Mortgagor to plans and specifications, designs, drawings and other matters prepared for any construction or improvements in or on the Premises (all of the foregoing is herein called the "Plans");

(viii) Contracts for Construction. All rights of the Mortgagor under any contracts executed by the Mortgagor as owner with any provider of goods or services for or in connection with any construction undertaken on, or services performed or to be performed in connection with, the Premises (all of the foregoing is herein referred to collectively as the "Contracts for Construction");

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(ix) Contracts for Sale or Financing. All rights of the Mortgagor as seller or borrower under any agreement, contract, understanding or arrangement pursuant to which the Mortgagor has or may hereafter have, with the consent of the Mortgagee, obtained the agreement of any person to pay or disburse any money for the Mortgagor's sale (or borrowing on the security) of the Collateral or any part thereof, including contracts for the sale of any Unit (defined for purposes hereof as defined in the Loan Agreement) (all of the foregoing is herein referred to collectively as the "Contracts for Sale"); and

(x) Other Property. All other property or rights of the Mortgagor of any kind or character related to the Premises, and all proceeds (including, without limitation, insurance and condemnation proceeds) and products of any of the foregoing. (All of the Real Estate and the Improvements, and any other property which is real estate under applicable law, is sometimes referred to collectively herein as the "Premises".)

G R A N T

NOW THEREFORE, for and in consideration of the Mortgagee's executing and delivering the Loan Agreement and of the Mortgagee's making any loan, advance or other financial accommodation at any time to or for the benefit of the Mortgagor, and in consideration of the various agreements contained herein and in the Loan Agreement and the Security Documents, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the Land Trustee and the Borrower, and in order to secure the full, timely and proper payment and performance of each and every one of the Liabilities,

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

TO HAVE AND TO HOLD the Premises unto the Mortgagee and its successors and assigns forever, hereby expressly waiving and releasing any and all right, benefit, privilege, advantage or exemption under and by virtue of any and all statutes and laws of the State or other jurisdiction in which the Real Estate is located providing for the exemption of homesteads from sale on execution or otherwise.

The Mortgagor hereby covenants with and warrants to the Mortgagee and with the purchaser at any foreclosure sale: that at the execution and delivery hereof it is well seized of the Premises, and of a good, indefeasible estate therein, in fee simple; that the Collateral is free from all encumbrances whatsoever (and any claim of any other person thereto) other than the encumbrances defined in the Loan Agreement as the "Permitted

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Exceptions"; that it has good and lawful right to sell, mortgage and convey the Collateral; and that it and its successors and assigns will forever warrant and defend the Collateral against all claims and demands whatsoever.

I. COVENANTS AND AGREEMENTS OF MORTGAGOR

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

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

2. Payment of Taxes. The Mortgagor will pay, at least five business days before delinquent, all taxes and assessments, general or special, and any and all levies, claims, charges, expenses and liens, ordinary or extraordinary, governmental or non-governmental, statutory or otherwise, due or to become due, that may be levied, assessed, made, imposed or charged on or against the Collateral or any property used in connection therewith, and will pay before due any tax or other charge on the interest or estate in lands created or represented by this Mortgage or by any of the other Loan Papers, whether levied against the Mortgagor or the Mortgagee or otherwise, and will submit to the Mortgagee upon request all receipts showing payment of all of such taxes, assessments and charges. If the general real estate taxes for any year have not been assessed against the Premises and placed in collection by November 1 of the following year, the Mortgagor will, upon request of the Mortgagee, deposit with the Mortgagee an amount equal to the actual general real estate taxes on the Premises for such year or to 110% of the taxes and charges levied or assessed against the Premises for the preceding year. Deposits with the Mortgagee hereunder shall be held as security for the Liabilities but will be released, upon the Mortgagor's request, directly to the payment of such taxes.

3. Maintenance and Repair. The Mortgagor will: not abandon the Premises; not do or suffer anything to be done which would depreciate or impair the value of the Collateral or the security of this Mortgage; not remove or demolish any of the Improvements (except to the extent necessary for the conduct of the Work); pay promptly for all labor and materials for all construction, repairs and improvements to or on the Premises; not make any changes, additions or alterations to the Premises or the Improvements except as required by the Loan Agreement or any applicable governmental requirement or as otherwise approved in writing by the Mortgagee; maintain, preserve and keep the Goods and the Improvements in good, safe and insurable condition and repair and promptly make any needful and proper repairs, replacements, renewals, additions or substitutions required by wear, damage, obsolescence or

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destruction; promptly restore and replace any of the Improvements or Goods which are destroyed or damaged; not commit, suffer, or permit waste of any part of the Premises; and maintain all grounds and abutting streets and sidewalks in good and neat order and repair.

4. Sales; Liens. Except for Unit sales expressly permitted by the provisions of the Loan Agreement, the Mortgagor will not: sell, assign, transfer, convey, lease or otherwise dispose of, or permit to be sold, assigned, transferred, conveyed, leased or otherwise disposed of, the Collateral or the beneficial interest in the Trust or any part thereof or any interest (whether legal, beneficial or otherwise) or estate in any thereof in violation of the Loan Agreement; remove any of the Collateral from the Premises or from the State in which the Real Estate is located; or create, suffer or permit to be created or to exist any mortgage, lien, claim, security interest, charge, encumbrance or other right or claim of any kind whatsoever upon the Collateral or any part thereof, except those of current taxes not delinquent and the Permitted Exceptions.

5. Access by Mortgagee. The Mortgagor will at all times: deliver to the Mortgagee, upon the Mortgagee's request, either all of its executed originals (in the case of chattel paper or instruments) or certified copies (in all other cases) of all leases, agreements creating or evidencing Intangibles, Plans, Contracts for Construction, Contracts for Sale, all amendments and supplements thereto, and any other document which is, or which evidences, governs, or creates, Collateral; permit access by the Mortgagee to its books and records, construction progress reports, tenant registers, sales records, offices, insurance policies and other papers for examination and the making of copies and extracts; prepare such schedules, summaries, reports and progress schedules as the Mortgagee may request; and permit the Mortgagee and its agents and designees, at all reasonable times, to enter on and inspect the Premises.

6. Stamp and Other Taxes. If the Federal, or any state, county, local, municipal or other, government or any subdivision of any thereof having jurisdiction, shall levy, assess or charge any tax (excepting therefrom any income tax on the Mortgagee's receipt of interest payments on the principal portion of the indebtedness secured hereby), assessment or imposition upon this Mortgage, the Liabilities, the Note or any of the other Loan Papers, the interest of the Mortgagee in the Collateral, or any of the foregoing, or upon the Mortgagee by reason of or as holder of any of the foregoing, or shall at any time or times require revenue stamps to be affixed to the Note, this Mortgage, or any of the other Loan Papers, the Mortgagor shall pay all such taxes and stamps to or for the Mortgagee as they become due and payable. If any law or regulation is enacted or adopted permitting, authorizing or requiring any tax, assessment or imposition to be levied, assessed or charged, which law or regulation prohibits the Mortgagor from

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paying the tax, assessment, stamp, or imposition to or for the Mortgagee, then such event shall constitute a Default hereunder and all sums hereby secured shall become immediately due and payable at the option of the Mortgagee.

7. Insurance. The Mortgagor will at all times maintain (or caused to be maintained) on the Goods, the Improvements and on all other Collateral, all insurance required at any time or from time to time by the Mortgagee or by the provisions of the Loan Agreement and in any event fire and extended coverage insurance for the benefit of the Mortgagee, to the full extent of the Mortgagee's interest therein, against loss or damage (whether to such Collateral or Improvements or by loss of rentals, business interruption, loss of occupancy or other damage therefrom) from such hazards as may be requested by the Mortgagee from time to time, including (without limitation) fire, windstorm, tornado, hail, disaster, earthquake, vandalism, riot, malicious mischief (and including plate glass and boiler insurance, and war risk insurance if then available), insurance against flood if required by the Federal Flood Disaster Protection Act of 1973 and regulations issued thereunder, and, during construction, builder's completed value risk insurance against "all risks of physical loss" (including collapse and transit coverage), and all other insurance commonly or, in the judgment of the Mortgagee, prudently maintained by those whose business, improvement to, and use of real estate is similar to that of the Mortgagor, and that it will maintain comprehensive public liability, employer's liability and workmen's compensation insurance, all in amounts satisfactory to the Mortgagee, and all of such insurance to be maintained in such form and with such companies as shall be approved by the Mortgagee, and to deliver to and keep deposited with the Mortgagee all policies of such insurance and renewals thereof, with premiums prepaid, and with mortgagee and loss payable clauses satisfactory to the Mortgagee, and non-cancellation clauses providing for not less than 30 days' prior written notice to the Mortgagee, attached thereto in favor of the Mortgagee, its successors and assigns. The Mortgagor agrees that any loss paid to the Mortgagee under any of such policies of property or casualty (but not including business or rental interruption) insurance shall be applied, at the option of the Mortgagee, toward the payment of the Note or any of the Liabilities, or to the rebuilding or repairing of the damaged or destroyed Improvements or other Collateral, as the Mortgagee in its sole and unreviewable discretion may elect (which election shall not relieve the Mortgagor of the duty to rebuild or repair).

Mortgagee shall consent to the application of any proceeds of said insurance to the restoration of the Collateral so damaged if and only if Mortgagor fulfills all of the following conditions not waived in writing by Mortgagee (a breach of any one of which shall constitute a Default under this Mortgage and shall entitle Mortgagee to exercise all rights and remedies Mortgagee may have in such event): (i) that no Default has occurred under this Mortgage, the Note, or the Loan Agreement or other Loan Papers; (ii) that

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Mortgagor has in force rental continuation and business interruption insurance covering the longer of one (1) year or the time Mortgagee reasonably estimates will be necessary to complete such restoration and rebuilding; (iii) the total cost of the complete restoration of the Collateral, estimated in the sole judgment of the Mortgagee, is less than \$1,000,000.00; (iv) the Mortgagee is satisfied that the insurance proceeds shall be sufficient to fully restore and rebuild the Collateral free and clear of all liens except the lien of this Mortgage and the Permitted Exceptions, or in the event that such proceeds are in Mortgagee's sole judgment insufficient to restore and rebuild the Collateral, then Mortgagor shall deposit upon demand the shortfall with Mortgagee; (v) that the excess of said insurance proceeds above the amount necessary to complete such restoration or rebuilding, if any, shall be applied without prepayment premium as a credit upon any portion, as selected by Mortgagee, of the indebtedness secured hereby; (vi) construction and completion of restoration and rebuilding of the Collateral can, in Mortgagee's judgment, be completed--and are in fact completed--within 10 months of the casualty, in accordance with plans, specifications and drawings submitted to and approved by Mortgagee, which plans, specifications and drawings shall not be substantially modified, changed or revised without the Mortgagee's prior written consent and shall be in conformity with all governmental regulation, including (without limitation) building, zoning, land use and environmental regulations; (vii) Mortgagee shall also have approved all general or prime contractors and all subcontractors, and the general contract or contracts the Mortgagor proposes to enter into with respect to the restoration and rebuilding; (viii) any and all monies which are made available for restoration and rebuilding hereunder shall be disbursed through Mortgagee or a title insurance and trust company satisfactory to Mortgagee, in accordance with prudent construction lending practice, including, if requested by mortgagee, monthly contractors' sworn statements, lien waivers and title insurance date-downs, and the provision of payment and performance bonds by Mortgagor, or in any other manner approved by Mortgagee in Mortgagee's sole discretion; (ix) all leases with any tenants for any part of or space in the Premises which had been signed or were in effect on the date immediately preceding the date of the damage or destruction expressly provide that they are to remain in effect, and may not be (and in fact are not) terminated notwithstanding such damage or destruction as long as the damaged premises are substantially restored within 15 months after such damage or destruction and (x) the insurer shall waive all right of subrogation it may have after payment of the insurance proceeds to Mortgagee.

The Mortgagor hereby irrevocably authorizes and empowers the Mortgagee, in its discretion, to settle, compromise and adjust any and all claims or rights under any insurance policy maintained by the Mortgagor relating to the Collateral. In the event of foreclosure of this Mortgage or other transfer of title to the Premises in extinguishment of the indebtedness secured hereby, all

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right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee. Nothing contained in this Mortgage shall create any responsibility or obligation on the Mortgagee to collect any amounts owing on any insurance policy or resulting from any condemnation, to rebuild or replace any damaged or destroyed Improvements or other Collateral or to perform any other act hereunder.

8. Eminent Domain. In case the Collateral, or any part or interest in any thereof, is taken by condemnation, the Mortgagee is hereby irrevocably authorized and empowered to collect and receive all compensation and awards of any kind whatsoever (referred to collectively herein as "Condemnation Awards") which may be paid for any property taken or for damages to any property not taken (all of which the Mortgagor hereby assigns to the Mortgagee), and all Condemnation Awards so received shall be forthwith applied by the Mortgagee, as it may elect in its sole and unreviewable discretion, to the prepayment of the Note or any other Liabilities, or to the repair and restoration of any property so taken or damaged. The Mortgagor hereby empowers the Mortgagee, in the Mortgagee's absolute discretion without regard to the adequacy of its security, to settle, compromise and adjust any and all claims or rights arising under any condemnation or eminent domain proceeding relating to the Collateral or any portion thereof.

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

10. No Mechanics' Liens. The Mortgagor will not suffer or permit any mechanics' lien under the laws of the State of Illinois or other lien, charge or encumbrance of any kind to attach to the Premises or any part thereof unless such lien shall first be wholly waived as against this Mortgage.

11. Continuing Priority. The Mortgagor will: pay such fees, taxes and charges, execute and file (at the Mortgagor's expense) such financing statements, obtain such acknowledgements or consents, notify such obligors or providers of services and materials and do all such other acts and things as the Mortgagee may from time to time request to establish and maintain a valid and perfected first and prior lien on and security interest in the

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Collateral and to provide for payment to the Mortgagee directly of all cash proceeds thereof, with the Mortgagee in possession of the Collateral to the extent it requests; maintain its executive office and principal place of business at all times at the address shown above; keep all of its books and records relating to the Collateral on the Premises or at such address; keep all tangible Collateral on the Real Estate except as the Mortgagee may otherwise consent in writing; make notations on its books and records sufficient to enable the Mortgagee, as well as third parties, to determine the interest of the Mortgagee hereunder; and not collect any rents or the proceeds of any of the Leases or Intangibles more than 30 days before the same shall be due and payable except as the Mortgagee may otherwise consent in writing.

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

13. Contract Maintenance; Other Agreements. The Mortgagor will, for the benefit of the Mortgagee, fully and promptly perform each obligation and satisfy each condition imposed on it under any Contract for Sale, Contract for Construction, Lease, Intangible or other agreement so that there will be no default thereunder and so that the persons (other than the Mortgagor) obligated thereon shall be and remain at all times obligated to perform for the benefit of the Mortgagee; and the Mortgagor will not permit to exist any condition, event or fact which could allow or serve as a basis or justification for any such person to avoid such performance.

14. Agreements Affecting the Collateral. The Mortgagor shall keep, observe, perform and comply with all covenants, conditions and restrictions affecting the Premises, any operating agreements or other writings relating to the Collateral, and all leases, instruments and documents relating thereto or evidencing or securing any indebtedness secured thereby.

15. No Assignments; Future Leases. The Mortgagor will not cause or permit any Rents, issues, profits, Leases, Contracts for Construction, Contracts for Sale, or other contracts relating to the Premises, or any interest in any thereof, to be assigned, transferred, conveyed, pledged or disposed of, to any party other than the Mortgagee without first obtaining the express written consent of the Mortgagee thereto. In addition, the Mortgagor shall not cause or permit all or any portion of or interest in the Premises or the Improvements to be leased (that word having the same meaning for purposes hereof as it does in the law of landlord and tenant) directly or indirectly to any person, except pursuant to written leases approved by the Mortgagee or expressly permitted under the Loan Agreement. Each such lease shall contain, at the Mortgagee's election, either (i) a provision to the effect that the tenant shall, at the request of the Mortgagee, deliver to the Mortgagee an instrument, in form and substance satisfactory to the Mortgagee, in which the tenant agrees that no action taken by the

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Mortgagee to enforce this Mortgage by foreclosure, or by accepting a deed in lieu of foreclosure, or by resorting to any other remedies available to the Mortgagee, shall terminate the lease or invalidate any of the terms thereof and that tenant will attorn to the Mortgagee, to the purchaser at a foreclosure sale, or to a grantee in a voluntary conveyance, and will recognize such entity as landlord for the balance of the term of the lease, providing that the Mortgagee will agree with the tenant that, as long as the tenant is not in default under any of the terms of its lease, the tenant's possession will not be disturbed by the Mortgagee, or (ii) a subordination clause providing that the lease and the interest of the lessee in the demised real estate are in all respects subject and subordinate to this Mortgage; provided, however, that in the event any such lease fails for any reason to contain either of such provisions, no proceeding by the Mortgagee to foreclose this Mortgage, or action by way of its entry into possession after any Default hereunder, shall in or of itself operate to terminate such lease unless the Mortgagee expressly requests such relief in writing, but the preceding provisions of this Section 15 shall never be construed as subordinating this Mortgage to any such lease or any other lease.

16. Financial and Other Reporting. The Mortgagor shall deliver to the Mortgagee all such financial and other statements and reports as, and at the respective times, required by the provisions of the Loan Agreement. The Mortgagor agrees to permit the Mortgagee and its agents, at reasonable times and intervals, to inspect and audit the Mortgagor's records relating to the Premises for any reasonable purpose.

17. Collections. Until such time as the Mortgagee shall notify the Mortgagor of the revocation of such power and authority, the Mortgagor will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Rents, Leases, Contracts for Sale, Intangibles and other Collateral, including the taking of such action with respect to such collection as the Mortgagee may reasonably request, or, in the absence of such request, as the Mortgagor may deem advisable. (While reserving the right to revoke such power and authority at anytime, it is the Mortgagee's present intention not to revoke such authority unless an Event of Default or Unmatured Event of Default [as defined in the Loan Agreement] should occur or the Mortgagee is made to feel insecure concerning any of the Liabilities or performance under the Loan Agreement or any of the Loan Papers.) The Mortgagee, however, may, at any time, whether before or after any revocation of such power and authority or the maturity of any of the Liabilities, notify any parties obligated on any of the Rents, Leases, Contracts for Sale, Intangibles and other Collateral to make payment to the Mortgagee of any amounts due or to become due thereunder and enforce collection of any of the Rents, Leases, Contract for Sale, Intangibles or other Collateral by suit or otherwise and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the

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original period) any indebtedness thereunder or evidenced thereby. Upon request of the Mortgagee, the Mortgagor will, at its own expense, notify any parties obligated on any of the Rents, Leases, Contracts for Sale, Intangibles or other Collateral to make payment to the Mortgagee of the amounts due or to become due thereunder. Except as the Mortgagee may otherwise consent in writing, the Mortgagor will forthwith, upon receipt, transmit and deliver to the Mortgagee, in the form received, all cash, checks, drafts, chattel paper and other instruments or writings for the payment of money (properly endorsed, where required, so that such items may be collected by the Mortgagee) which may be received by the Mortgagor at any time in full or partial payment or otherwise as proceeds of any of the Collateral. Any such items which may be received by the Mortgagor will not be commingled with any other of its funds or property, but will be held separate and apart from its own funds or property and upon express trust for the Mortgagee until delivery is made to the Mortgagee. Nothing in the preceding portions of this Section 17 shall be deemed to limit or restrict in any way any of the Mortgagor's obligations (including, without limitation, the obligation to deposit all Project Revenue in the Project Account) or any of the Mortgagee's rights set out in the Loan Agreement. The Mortgagee is authorized to endorse, in the name of the Mortgagor, any item, howsoever received by it, representing any payment on or other proceeds (including insurance proceeds) of any of the Collateral and to endorse and deliver, in the name of the Mortgagor, any instrument, chattel paper or other item of Collateral held by the Mortgagee hereunder, in connection with the sale or collection of Collateral.

18. Mortgagee's Performance. If the Mortgagor fails to pay or perform any of its obligations herein contained (including payment of expenses of foreclosure and court costs), the Mortgagee may (but need not), as agent or attorney-in-fact of the Mortgagor, after giving the Mortgagor notice of its intention to do so (no such notice need be given after the occurrence of a Default), make any payment or perform (or cause to be performed) any obligation of the Mortgagor hereunder, in any form and manner deemed expedient by the Mortgagee, and any amount so paid or expended (plus reasonable compensation to the Mortgagee for its out-of-pocket and other expenses for each matter for which it acts under this Mortgage), with interest thereon at the rate applicable after maturity as provided in the Note, shall be added to the principal debt hereby secured and shall be repaid to the Mortgagee upon demand. By way of illustration and not in limitation of the foregoing, the Mortgagee may (but need not) do all or any of the following: make payments of principal or interest or other amounts on any lien, encumbrance or charge on any of the Collateral; complete construction; make repairs; collect rents; prosecute collection of the Collateral or proceeds thereof; purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof; contest any tax or assessment; and redeem from any tax sale or forfeiture affecting the Premises. In making any payment or securing any performance relating to any

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obligation of the Mortgagor hereunder, the Mortgagee shall (as long as it acts in good faith) be the sole judge of the legality, validity and amount of any lien or encumbrance and of all other matters necessary to be determined in satisfaction thereof. No such action of the Mortgagee shall ever be considered as a waiver of any right accruing to it on account of the occurrence of any matter which constitutes a Default (defined hereinafter).

19. Subrogation. To the extent that the Mortgagee, on or after the date hereof, pays any sum due under any provision of law or any instrument or document creating any lien prior or superior to the lien of this Mortgage, or the Mortgagor or any other person pays any such sum with the proceeds of the Loan, the Mortgagee shall have and be entitled to a lien on the Collateral equal in priority to the lien discharged, and the Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit the Mortgagee in securing the Liabilities.

20. Hazardous Materials. The Borrower hereby represents and warrants that neither the Mortgagor nor, to the best knowledge of the Mortgagor, any other person (except for such matters as are expressly described in the ~~Law~~ Engineering Report) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the Premises or the Land or any part thereof or into the atmosphere or any watercourse, body of water or wetlands, or any other real property legally or beneficially owned (or any interest or estate in which is owned) by the Mortgagor (including, without limitation, any property owned by a land trust the beneficial interest in which is owned, in whole or in part, by the Borrower), and neither the Premises, the Land, any part of either thereof, nor any other real property legally or beneficially owned (or any interest or estate in which is owned) by the Trust or the Mortgagor (including, without limitation, any property owned by a land trust the beneficial interest in which is owned, in whole or in part, by the Borrower) has ever been used (whether by the Mortgagor or, to the best knowledge of the Mortgagor, by any other person) as a treatment, storage or disposal (whether permanent or temporary) site for any Hazardous Material. Mortgagor hereby covenants that it will not cause or permit any Hazardous Material ever to be placed on or under, or to escape, leak, seep, spill or be discharged, emitted or released from, the Premises or any part thereof. Mortgagor hereby indemnifies the Mortgagee and agrees to hold the Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever (including, without limitation, court costs and attorneys' fees) which at any time or from time to time may be paid, incurred or suffered by, or asserted against, the Mortgagee for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from, the Premises or into or upon any land, the atmosphere, or any watercourse, body of water

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or wetland, of any Hazardous Material (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law, or any other Federal, state, local or other statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material) except to the extent such presence, escape, leakage, spillage, discharge, emission or release occurs as a result of an act by Mortgagee after acceptance of title to the Premises by Mortgagee pursuant to a foreclosure of the lien of this Mortgage; and the provisions of and undertakings and indemnification set out in this sentence shall survive the satisfaction and release of this Mortgage and the payment and satisfaction of the Liabilities, and shall continue to be the personal liability, obligation and indemnification of the Mortgagor, binding upon the Mortgagor, forever. The provisions of the preceding sentence shall govern and control over any inconsistent provision of this Mortgage or any other of the Loan Papers. For purposes of this Mortgage, "Hazardous Material" means and includes: any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other Federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect; petroleum or any petroleum byproduct or distillate; any underground storage tank; asbestos; poly-chlorinated biphenyls; and, any other hazardous, toxic or dangerous, waste, substance or material.

21. [Intentionally omitted.]

22. Mortgagor's Right to Contest. Mortgagor may contest or object to the legal validity or amount of any tax or any mechanics' or materialmen's lien on the Premises on and subject to the following conditions: (i) After having given Mortgagee at least five business days' prior written notice of its intention to institute such proceedings, Mortgagor shall in good faith have instituted appropriate legal proceedings with respect thereto, the pendency of which shall have the legal effect of staying the effectiveness and enforcement of such taxes or lien (as the case may be) and any and all other remedies relating thereto which may affect the Premises or the title thereto, and Mortgagor shall at all times thereafter prosecute such proceedings diligently and in good faith to completion; (ii) Mortgagor shall either (A) have duly paid the full amount of the tax or lien under protest or (B) have fully bonded over or title-insured over such tax or lien to Mortgagee's full satisfaction, and (iii) Mortgagee shall have notified Mortgagor that Mortgagee is satisfied that the validity, priority, value and utility of its lien and security interest on

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and in the Collateral will not be adversely affected by such contest, objection or proceedings.

II. DEFAULT; REMEDIES

The Mortgagor and the Mortgagee hereby agree further as follows:

1. Defaults; Acceleration. The occurrence of any of following shall constitute a "Default" hereunder: (a) any failure of the Mortgagor timely to make any payment of any principal on, or of interest or any other amount under, the Note; (b) any other default or failure of the Mortgagor timely and properly to perform any of its other obligations, hereunder or under the Note, the Loan Agreement or any of the Security Documents; (c) the dissolution, termination, bankruptcy, insolvency, reorganization or arrangement of the Borrower, or the institution of any legal case or proceeding in which the relief requested includes a declaration of any of the foregoing; (d) damage to, or the destruction of, all or any substantial part of the Premises, unless insurance proceeds which, in the Mortgagee's judgment, and sufficient fully to pay all costs of completely replacing and restoring the same, are collected or have been acknowledged by the insurer to be payable and are in the process of collection; (e) the commencement of proceedings for the condemnation, or taking by eminent domain, of all or any substantial part of the Premises, or, (f) the occurrence of any Event of Default under the Loan Agreement. With respect to any occurrence which constitutes a Default under clauses (a), (b) or (f) of the preceding sentence solely because it constitutes a default under another document, any grace or cure period applicable thereto under such other document (and only such grace or cure period, if any) shall also be applicable thereto hereunder. Upon the occurrence of any Default, the entire indebtedness evidenced by the Note and all other Liabilities, together with interest thereon at the rate applicable after maturity as provided in the Note, shall, at the option of the Mortgagee, notwithstanding any provisions thereof and without demand or notice of any kind to the Mortgagor or to any other person, become and be immediately due and payable.

2. Remedies Cumulative. No remedy or right of the Mortgagee hereunder or under the Note, the Loan Agreement or any other Security Documents or otherwise, or available under applicable law, shall be exclusive of any other right or remedy, but each such remedy or right shall be in addition to every other remedy or right now or hereafter existing under any such document or under applicable law. No delay in the exercise of, or omission to exercise, any remedy or right accruing on any Default shall impair any such remedy or right or be construed to be a waiver of any such Default or an acquiescence therein, nor shall it affect any subsequent Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by the Mortgagee. All

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obligations of the Mortgagor, and all rights, powers and remedies of the Mortgagee, expressed herein shall be in addition to, and not in limitation of, those provided by law or in the Note or the Loan Agreement or the Security Documents or any other written agreement or instrument relating to any of the Liabilities or any security therefor.

3. Possession of Premises; Remedies under Loan Agreement.

The Mortgagor hereby waives all right to the possession, income, and rents of the Premises from and after the occurrence of any Default, and the Mortgagee is hereby expressly authorized and empowered, at and following any such occurrence, to enter into and upon and take possession of the Premises or any part thereof, to complete any construction in progress thereon at the expense of the Mortgagor, to lease the same, to collect and receive all Rents and to apply the same, less the necessary or appropriate expenses of collection thereof, either for the care, operation and preservation of the Premises or, at the election of the Mortgagee in its sole and unreviewable discretion, to a reduction of such of the Liabilities in such order as the Mortgagee may elect. The Mortgagee, in addition to the rights provided under the Loan Agreement, is also hereby granted full and complete authority to enter upon the Premises, employ watchmen to protect the Goods and Improvements from depredation or injury and to preserve and protect the Collateral, and to continue any and all outstanding contracts for the erection and completion of Improvements to the Premises, to make and enter into any contracts and obligations wherever necessary in its own name, and to pay and discharge all debts, obligations and liabilities incurred thereby, all at the expense of the Mortgagor. All such expenditures by the Mortgagee shall be Liabilities under this Mortgage for all purposes. Upon the occurrence of any Default, the Mortgagee may also exercise any or all rights or remedies under the Loan Agreement, including, without limitation, disbursement of the undisbursed balance of the Note to complete buildings and improvements or perform obligations of the Mortgagor under any Contract for Sale.

4. Foreclosure; Receiver. Upon the occurrence of any Default, the Mortgagee shall also have the right, immediately or at any time thereafter (in Mortgagee's sole discretion), to foreclose this Mortgage. Upon the filing of any complaint for that purpose, the court in which such complaint is filed shall, upon application of the Mortgagee or at any time thereafter, either before or after foreclosure sale, and without notice to the Mortgagor or to any person claiming under or through the Mortgagor and without regard to the solvency or insolvency at the time of such application of any person then liable for the payment of any of the Liabilities, without regard to the then value of the Premises or whether the same shall then be occupied, in whole or in part, as a homestead, by the owner of the equity of redemption, and without regarding any bond from the complainant in such proceedings, appoint a receiver for the benefit of the Mortgagee (and Mortgagor hereby irrevocably and unconditionally agrees and consents to the appointment of any

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such receiver that the Mortgagee may designate or request or that such court may appoint), with power to take possession, charge, and control of the Premises, to lease the same, to keep the buildings thereon insured and in good repair, and to collect all Rents during the pendency of such foreclosure suit and during any period from the end of the redemption period up to and including the date which is 30 days after the confirmation of sale. The court may, from time to time, authorize said receiver to apply the net amounts remaining in his hands, after deducting reasonable compensation for the receiver and his counsel as allowed by the court, in payment (in whole or in part) of any or all of the Liabilities, including without limitation the following, in such order of application as the Mortgagee in its sole and unreviewable discretion may elect: (i) amounts due upon the Note, (ii) amounts due upon any decree entered in any suit foreclosing this Mortgage, (iii) costs and expenses (including, without limitation, attorneys' fees and expenses) of foreclosure and litigation upon the Premises, (iv) insurance premiums, repairs, taxes, special assessments, water charges and interest, penalties and costs, in connection with the Premises, (v) any other lien or charge upon the Premises that may be or become superior to the lien of this Mortgage, or of any decree foreclosing the same and (vi) all moneys advanced by the Mortgagee to cure or attempt to cure any default by the Mortgagor in the performance of any obligation or condition contained in the Loan Agreement, the Security Documents or this Mortgage or otherwise, to protect the security hereof provided herein, in the Loan Agreement or in any of the Security Documents, with interest on such advances at the interest rate applicable after maturity under the Note. The overplus of the proceeds of sale, if any, shall then (to the fullest extent permitted by applicable law) be paid to the Mortgagor upon its written request (and, if not permitted by law to be paid to the Mortgagor, such overplus shall be paid and applied as required by applicable law). This Mortgage may be foreclosed once against all, or successively against any portion or portions, of the Premises, as the Mortgagee may elect, until all of the Premises have been foreclosed against and sold. In case of any foreclosure of this Mortgage (or the commencement of or preparation therefor) in any court, all expenses of every kind paid or incurred by the Mortgagee for the enforcement, protection or collection of this security, including court costs, attorneys' fees, stenographers' fees, costs of advertising, and costs of title insurance and any other documentary evidence of title, shall be paid by the Mortgagor.

5. Remedies for Leases and Rents. If any Default occurs, then, whether before or after institution of legal proceedings to foreclose the lien of this Mortgage or before or after the sale thereunder, the Mortgagee shall be entitled, in its discretion, to do all or any of the following: (i) enter and take actual possession of the Premises, the Rents, the Leases and other Collateral relating thereto or any part thereof personally, or by its agents or attorneys, and exclude the Mortgagor therefrom; (ii) with or without process of law, enter upon and take and maintain

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possession of all of the documents, books, records, papers and accounts of the Mortgagor relating thereto; (iii) as attorney-in-fact or agent of the Mortgagor, or in its own name as mortgagee and under the powers herein granted, hold, operate, manage and control the Premises, the Rents, the Leases and other Collateral relating thereto and conduct the business, if any, thereof either personally or by its agents, contractors or nominees, 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 of the Rents, the Leases and other Collateral relating thereto (including actions for the recovery of rent, actions in forceable detainer and actions in distress of rent); (iv) cancel or terminate any Lease or sublease for any cause or on any ground which would entitle the Mortgagor to cancel the same; (v) elect to disaffirm any Lease or sublease made subsequent hereto or subordinated to the lien hereof; (vi) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments and improvements to the Premises that, in its discretion, may seem appropriate; (vii) insure and reinsure the Collateral for all risks incidental to the Mortgagee's possession, operation and management thereof; and (viii) receive all such Rents and proceeds, and perform such other acts in connection with the management and operation of the Collateral, as the Mortgagee in its discretion may deem proper, the Mortgagor hereby granting the Mortgagee full power and authority to exercise each and every one of the rights, privileges and powers contained herein at any and all times after any Default without notice to the Mortgagor or any other person. The Mortgagee, in the exercise of the rights and powers conferred upon it hereby, shall have full power to use and apply the Rents to the payment of or on account of the following, in such order as it may determine: (a) to the payment of the operating expenses of the Premises, including the cost of management and leasing thereof (which shall include reasonable compensation to the Mortgagee and its agents or contractors, if management be delegated to agents or contractors, and it shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into Leases), established claims for damages, if any, and premiums on insurance hereinabove authorized; (b) to the payment of taxes, charges and special assessments, the costs of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Collateral, including the cost from time to time of installing, replacing or repairing the Collateral, and of placing the Collateral in such condition as will, in the judgment of the Mortgagee, make it readily rentable; and (c) to the payment of any Liabilities.

6. Personal Property. Whenever there exists a Default hereunder, the Mortgagee may exercise from time to time any rights and remedies available to it under applicable law upon default in payment of indebtedness. The Mortgagor shall, promptly upon request by the Mortgagee, assemble the Collateral and make it available to the Mortgagee at such place or places, reasonably

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convenient for both the Mortgagee and the Mortgagor, as the Mortgagee shall designate. Any notification required by law of intended disposition by the Mortgagee of any of the Collateral shall be deemed reasonably and properly given if given at least five days before such disposition. Without limiting the foregoing, whenever there exists a Default hereunder, the Mortgagee may, with respect to so much of the Collateral as is personal property under applicable law, to the fullest extent permitted by applicable law, without further notice, advertisement, hearing or process of law of any kind, (i) notify any person obligated on the Collateral to perform directly for the Mortgagee its obligations thereunder, (ii) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (iii) endorse any checks, drafts or other writings in the name of the Mortgagor to allow collection of the Collateral, (iv) take control of any proceeds of the Collateral, (v) enter upon any premises where any of the Collateral may be located and take possession of and remove such Collateral, (vi) sell any or all of the Collateral, free of all rights and claims of the Mortgagor therein and thereto, at any public or private sale, and (vii) bid for and purchase any or all of the Collateral at any such sale. Any proceeds of any disposition by the Mortgagee of any of the Collateral may be applied by the Mortgagee to the payment of expenses in connection with the Collateral, including attorneys' fees and legal expenses, and any balance of such proceeds shall be applied by the Mortgagee toward the payment of such of the Liabilities and in such order of application as the Mortgagee may from time to time, in its sole and unreviewable discretion, elect. The Mortgagee may exercise from time to time any rights and remedies available to it under the Uniform Commercial Code or other applicable law as in effect from time to time or otherwise available to it under applicable law. The Mortgagor hereby expressly waives presentment, demand, notice of dishonor, protest and notice of protest in connection with the Note and, to the fullest extent permitted by applicable law, any and all other notices, demands, advertisements, hearings or process of law in connection with the exercise by the Mortgagee of any of its rights and remedies hereunder. The Mortgagor hereby constitutes the Mortgagee its attorney-in-fact with full power of substitution to take possession of the Collateral upon any Default and, as the Mortgagee in its sole discretion deems necessary or proper, to execute and deliver all instruments required by the Mortgagee to accomplish the disposition of the Collateral; this power of attorney is a power coupled with an interest and is irrevocable while any of the Liabilities are outstanding.

7. Performance of Contracts. The Mortgagee may, in its sole discretion at any time after the occurrence of a Default, notify any person obligated to the Mortgagor under or with respect to any Intangible, any Contract for Sale or any Contract for Construction of the existence of a Default, require that performance be made

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directly to the Mortgagee at the Mortgagor's expense, and advance such sums as are necessary or appropriate to satisfy the Mortgagor's obligations thereunder; and the Mortgagor agrees to cooperate with the Mortgagee in all ways reasonably requested by the Mortgagee (including the giving of any notices requested by, or joining in any notices given by, the Mortgagee) to accomplish the foregoing.

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

III. GENERAL

1. Permitted Acts. The Mortgagor agrees that, without affecting or diminishing in any way the liability of the Mortgagor or any other person (except any person expressly released in writing by the Mortgagee) for the payment or performance of any of the Liabilities or for the performance of any obligation contained herein or affecting the lien hereof upon the Collateral or any part thereof, the Mortgagee may at any time and from time to time, without notice to or the consent of any person, do any or all of the following: release any person liable (whether directly or indirectly, primarily or secondarily, or otherwise) for the payment or performance of any of the Liabilities; extend the time for, or agree to alter the terms of payment of, any indebtedness under the

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Note or any of the Liabilities; modify or waive any obligation or performance; subordinate, modify or otherwise deal with the lien hereof; accept additional security of any kind; release any Collateral or other property securing any or all of the Liabilities; make releases of any portion of the Premises (it is expressly contemplated that the Mortgagee will, from time to time on satisfaction of the conditions set out in Section 3(b) of this Article III, release one or more Units [defined for purposes hereof as defined in the Loan Agreement] from the lien of this Mortgage); consent to the making of any map or plat of the Premises; consent to the creation of a condominium regime on all or any part of the Premises or the submission of all or any part of the Premises to the provisions of the Illinois Condominium Act or any similar provisions of law, or to the creation of any easements on the Premises or of any covenants restricting the use or occupancy thereof; or exercise or refrain from exercising, or waive, any right the Mortgagee may have.

2. Suits and Proceedings. The Mortgagor agrees to indemnify the Mortgagee, and hold the Mortgagee harmless, from and against any and all losses, damages, costs, expenses and claims of any kind whatsoever (including, without limitation, attorneys' fees) which the Mortgagee may pay or incur in connection with any suit or proceeding in or to which the Mortgagee may be made or become a party, which suit or proceeding does or may affect all or any portion of the Collateral or the value, use or operation thereof or this Mortgage or the validity, enforceability, lien or priority hereof or of any of the Liabilities or indebtedness secured hereby.

3. Loan Agreement; Construction Mortgage; Obligatory Future Advances.

(a) The Mortgagor covenants that it will timely and fully perform and satisfy all the terms, covenants and conditions of the Loan Agreement.

(b) The Mortgagor covenants and agrees that, in accordance with the provisions of the Loan Agreement, all of the funds advanced and to be advanced thereunder have been and will be used exclusively to pay the costs of the construction of improvements on the Land (including the acquisition cost of the Land and the Improvements presently situated thereupon), and other costs permitted to be incurred under the Loan Agreement and that this instrument constitutes a "Construction Mortgage" within the meaning of Section 9.313(1)(c) of the Illinois Uniform Commercial Code. All advances and indebtedness arising or accruing under the Loan Agreement from time to time, whether or not the total amount thereof may exceed the Loan Amount or the face amount of the Note, shall be secured hereby to the same extent as though said Loan Agreement were fully incorporated in this Mortgage. If there shall be any inconsistency between provisions of this Mortgage and the Loan Agreement or any other Loan Document, the

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Mortgagee shall have the option of determining which of such inconsistent provisions shall prevail.

(c) This Mortgage is granted to secure future advances and loans from the Mortgagee to or for the benefit of the Mortgagor or its successors and assigns or the Premises, as provided in the Loan Agreement, and costs and expenses of enforcing the Mortgagor's obligations under this Mortgage, the Loan Papers and the Loan Agreement. All advances, disbursements or other payments required by the Loan Agreement are obligatory advances up to the credit limits established therein and shall, to the fullest extent permitted by law, have priority over any and all mechanics' liens and other liens and encumbrances arising after this Mortgage is recorded.

(d) It is contemplated that partial releases of this Mortgage will be given as provided in the Loan Agreement or as otherwise agreed to by the Mortgagee, but no such release (or any other release) shall affect the lien of this Mortgage on the remainder of the Premises encumbered hereby. Mortgagee agrees that it will deliver partial releases of the lien of this Mortgage from time to time strictly in accordance with Section 7.4.1 of the Loan Agreement.

4. Security Agreement and Financing Statement. This Mortgage, to the extent that it conveys, grants a security interest in, or otherwise deals with personal property or with items of personal property which are or may become fixtures, shall also be construed as a security agreement, and also as a financing statement, under the Uniform Commercial Code as in effect in the State of Illinois, with the Borrower and the Trust as Debtors (with their respective addresses as set forth above) and with the Mortgagee as Secured Party (with its address as set forth above).

5. Defeasance. Upon full payment of all indebtedness secured hereby and full payment, performance and satisfaction of all the Liabilities in accordance with their respective terms and at the time and in the manner provided, and when the Mortgagee has no further obligation (whether contingent, conditional or otherwise) to make any advance, disbursement or payment of any kind or to extend any credit under or with respect to the Loan Agreement, this conveyance shall be null and void, and thereafter, upon demand therefor, an appropriate instrument of quitclaim reconveyance or release shall in due course be made by the Mortgagee to the Mortgagor at the Mortgagor's expense (but the Mortgagor's undertakings and agreements set out in Article I, Section 20 above shall survive any such reconveyance or release).

6. Notices. Each notice, demand or other communication in connection with this Mortgage shall be in writing and shall be deemed to be given to and served upon the addressee thereof on the first to occur of (i) actual delivery to such addressee, (ii) the

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second Business Day after the deposit thereof in the United States mails, certified mail, first-class postage prepaid, or (iii) the time such notice would be deemed to have been given if the provisions of the Loan Agreement relating to notices were set out here, in all such cases addressed to such addressee at its address set out above (and to the attention, in the case of a communication to the Mortgagee, of Eric Bergwall, with a copy to Robert M. Berger, c/o Mayer, Brown & Platt, 190 South LaSalle Street, Chicago, Illinois 60603 and in the case of a communication to the Borrower, with a copy to David Glickstein, c/o Schwartz, Cooper, Greenberger & Krauss, Chtd., 180 North LaSalle Street, Suite 2700, Chicago, Illinois 60601). By notice complying with this section, any party may from time to time designate a different address as its address for the purpose of the receipt of notices hereunder.

7. Successors; The Mortgagor; Gender. All provisions hereof shall inure to and bind the parties and their respective successors, vendees and assigns; provided, however, that the foregoing shall not in any way limit, restrict or modify the provisions of Article I, Section 4 above. The word "Mortgagor" shall include all persons claiming under or through the Mortgagor and all persons liable for the payment or performance of any of the Liabilities whether or not such persons shall have executed the Note or this Mortgage. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

8. Care by the Mortgagee. The Mortgagee shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as the Mortgagor requests in writing, but failure of the Mortgagee to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Mortgagee to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Mortgagor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

9. No Obligation on Mortgagee. This Mortgage is intended only as security for the Liabilities. Anything herein to the contrary notwithstanding, (i) the Mortgagor shall be and remain liable under and with respect to the Collateral to perform all of the obligations assumed by it under or with respect to each thereof, (ii) the Mortgagee shall have no obligation or liability under or with respect to the Collateral by reason or arising out of this Mortgage and (iii) the Mortgagee shall not be required or obligated in any manner to perform or fulfill any of the obligations of the Mortgagor under, pursuant to or with respect to any of the Collateral.

10. No Waiver by the Mortgagee; Writing. No delay on the part of the Mortgagee in the exercise of any right or remedy shall

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operate as a waiver thereof, and no single or partial exercise by the Mortgagee of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No amendment, waiver or supplement in any way affecting this Mortgage shall in any event be effective unless set out in a writing signed by the Mortgagee.

11. Governing Law; Severability; Section Headings. This Mortgage has been executed and delivered at Chicago, Illinois, and shall be construed in accordance with and governed by the laws of the State of Illinois. Whenever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity only, without invalidating the remainder of such provision or the remaining provisions of this Mortgage, it being the parties' intention that this Mortgage and each provision hereof be effective and enforced to the fullest extent permitted by applicable law. The Section headings used herein are for convenience of reference only, and shall not be deemed to be a part of this Mortgage or be considered in the interpretation, or construction thereof.

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

13. Mortgagee Not a Joint Venturer or Partner. The Mortgagor and the Mortgagee acknowledge and agree that in no event shall the Mortgagee be deemed to be a partner or joint venturer with the Land Trustee and the Borrower or with either of them. Without limitation of the foregoing, the Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the Liabilities secured hereby, or otherwise.

14. Compliance with Illinois Mortgage Foreclosure Law.

(a) If any provision of this Mortgage is inconsistent with any applicable provision of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et seq. (the "Act"), the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or

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render unenforceable any other provision of this Mortgage that can fairly be construed in a manner consistent with the Act.

(b) Without in any way limiting or restricting any of Mortgagee's rights, remedies, powers and authorities under this Mortgage, and in addition to all of such rights, remedies, powers, and authorities, the Mortgagee shall also have and may exercise any and all rights, remedies, powers and authorities which the holder of a mortgage is permitted to have or exercise under the provisions of the Act, as the same may be amended from time to time. If any provision of this Mortgage shall grant to Mortgagee any rights, remedies, powers or authorities upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgages under the Act in the absence of said provision, Mortgagee shall be vested with all of the rights, remedies, powers and authorities granted in the Act to the fullest extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee, to the extent reimbursable under Sections 15-1510, 15-1512, or any other provision of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in any other provision of this Mortgage, shall be added to the indebtedness secured by this Mortgage and by the judgment of foreclosure.

15. Land Trustee: Exculpation and Authority.

(a) This Mortgage is executed by the Land Trustee not individually or personally, but solely as trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee, and it is expressly understood and agreed that nothing herein contained shall be construed as creating any personal liability on the Land Trustee personally to pay the Note or any interest that may accrue thereon or any of the indebtedness arising or accruing under or pursuant hereto or to the Note, or to perform any covenant, undertaking, representation or agreement, either express or implied, contained herein or in the Note, all such personal liability of the Land Trustee, if any, being expressly waived by the Mortgagee and by each and every person now or hereafter claiming any right or security under this Mortgage; provided, however, that nothing herein contained shall in any way limit the liability of the Borrower or of any guarantor or other obligor (not including the Land Trustee) hereunder or under the Loan Agreement, the Note or the Security Documents.

(b) The Land Trustee hereby warrants that it possesses full power and authority to execute and deliver this instrument.

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16. Limited Recourse. Section 8.22 of the Loan Agreement is incorporated herein by reference, with the same force and effect as if set forth herein in its entirety.

17. No Reliance by Others on the Premises; Single Zoning Lot and Tax Parcel. The Mortgagor covenants that it will not cause or permit any land, building or other improvement, or other property of any kind whatsoever which is not subject to the lien of this Mortgage (regardless of whether such property is owned by Mortgagor) to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement of any kind whatsoever, and the Mortgagor hereby assigns to the Mortgagee any and all rights to give or withhold consent for all or any portion of the Premises or any interest therein to be so used. The Mortgagor represents, warrants and covenants that no building or other improvement situated on or comprising part of the Premises does, or at any time will, rely on any property not subject to the lien of this Mortgage to fulfill any governmental or municipal requirement of any kind whatsoever. The Mortgagor shall not cause or permit to be impaired the integrity of the Premises as a single zoning lot and a single tax parcel separate and apart from all other zoning lots and tax (except that any Unit which is expressly released from the lien of this Mortgage by a written instrument executed by the Mortgagee may, after such release, constitute a separate lot and a separate tax parcel). Any act or omission by Mortgagor which would result in a violation of any of the provisions of this Section shall be void ab initio and of no force or effect for any purpose whatsoever.

18. No Property Manager's Lien. Any property management agreement for or relating to all or any part of the Premises, whether now in effect or entered into hereafter by the Land Trustee or the Borrower or any agent of either of them, with a property manager shall contain a "no lien" provision whereby the property manager forever and unconditionally waives and releases any and all mechanics' lien rights and claims that it or anyone claiming through or under it may have at any time pursuant to any statute or law. Such property management agreement or a short form thereof including such waiver shall, at the Mortgagee's request, be recorded with the Office of the Recorder of Cook County, Illinois. In addition, the Mortgagor shall cause the property manager to enter into a subordination agreement with the Mortgagee, in recordable form, whereby the property manager subordinates its present and future lien rights and those of any party claiming by, through or under it, to the lien of this Mortgage. The Mortgagor's failure to cause any of the foregoing to occur shall constitute a default under this Mortgage.

19. WAIVERS. THE MORTGAGOR, ON BEHALF OF ITSELF AND ALL PERSONS NOW OR HEREAFTER INTERESTED IN THE PREMISES OR THE COLLATERAL, VOLUNTARILY AND KNOWINGLY HEREBY: ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS MORTGAGE IS A PART IS A TRANSACTION

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WHICH DOES NOT INCLUDE EITHER AGRICULTURAL REAL ESTATE (AS DEFINED IN THE ACT) OR RESIDENTIAL REAL ESTATE (AS DEFINED IN THE ACT); WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL OTHER RIGHTS TO REINSTATEMENT OR REDEMPTION AND ANY AND ALL OTHER RIGHTS AND BENEFITS UNDER ALL PRESENT AND FUTURE APPRAISEMENT, HOMESTEAD, MORATORIUM, VALUATION, EXEMPTION, STAY, EXTENSION, REDEMPTION AND MARSHALLING STATUTES, LAWS OR EQUITIES NOW OR HEREAFTER EXISTING, AND AGREES THAT NO DEFENSE, CLAIM OR RIGHT BASED ON ANY THEREOF WILL BE ASSERTED, OR MAY BE ENFORCED, IN ANY ACTION ENFORCING OR RELATING TO THIS MORTGAGE OR ANY OF THE COLLATERAL. WITHOUT LIMITING THE GENERALITY OF THE PRECEDING SENTENCE, THE MORTGAGOR, ON ITS OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES SUBSEQUENT TO THE DATE OF THIS MORTGAGE, HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS OF REINSTATEMENT (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REINSTATEMENT PROVIDED FOR IN 735 ILCS 5/15-1602) OR REDEMPTION FROM SALE OR FROM OR UNDER ANY ORDER, JUDGMENT OR DECREE OF FORECLOSURE OF THIS MORTGAGE (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REDEMPTION PROVIDED FOR IN 735 ILCS 5/15-1603) OR UNDER ANY POWER CONTAINED HEREIN OR UNDER ANY SALE PURSUANT TO ANY STATUTE, ORDER, DECREE OR JUDGMENT OF ANY COURT.

20. WAIVER OF JURY TRIAL. MORTGAGOR IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON OR IN ANY WAY RELATED TO (i) THE LOAN (DEFINED FOR PURPOSES HEREOF AS DEFINED IN THE LOAN AGREEMENT), (ii) ANY CONDUCT, ACT, STATEMENT OR OMISSION BY THE MORTGAGEE WHICH IN ANY WAY RELATED TO, OCCURRED IN CONNECTION WITH, OR CONCERNS THE LOAN OR BORROWER'S APPLICATION THEREFOR, THE LOAN AGREEMENT, THE LOAN PAPERS, OR THE PREMISES, OR (iii) THIS MORTGAGE. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY MORTGAGOR, AND MORTGAGOR ACKNOWLEDGES THAT NEITHER THE MORTGAGEE NOR ANY PERSON ACTING FOR OR ON BEHALF OF THE MORTGAGEE HAS MADE ANY STATEMENT OR REPRESENTATION (i) TO INDUCE MORTGAGOR TO AGREE TO THIS WAIVER OF TRIAL BY JURY OR (ii) IN ANY WAY TO MODIFY, LIMIT, RESTRICT, OR NULLIFY IT. MORTGAGOR FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED AND ADVISED BY INDEPENDENT LEGAL COUNSEL OF ITS OWN CHOICE IN THE SIGNING OF THIS MORTGAGE AND IN THE MAKING OF THIS WAIVER, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH ITS LEGAL COUNSEL. MORTGAGOR FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER AND AS EVIDENCE OF THIS FACT THE INITIALS OF ITS AUTHORIZED REPRESENTATIVE ARE SIGNED HERE:
LAND TRUSTEE _____; BORROWER _____;

IV. ENVIRONMENTAL EASEMENT

1. Grant of Environmental Easement and Security Interest.
In consideration of the premises and of the elements of consideration recited in the granting clause (i.e., the first paragraph following the caption "Grant") above, the Mortgagor hereby grants and conveys to the Mortgagee and its successors and assigns forever an easement (the "Environmental Easement") to enter

2008/11/17

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on, upon and within the Premises at any time and from time to time for the purpose of making such tests, inspections, investigations and examinations (including, without limitation, soil borings and tests and other subsurface explorations, investigations, examinations and tests) as the Mortgagee, in its discretion, deems necessary, convenient, or useful to enable it to determine (i) whether any Hazardous Materials are or may be present on, under, upon or within the Premises or any part thereof and (ii) whether the ownership, use, condition, and operation of the Premises and the conduct of the activities engaged in thereat are in compliance with federal, state, and local environmental laws, rules, and regulations. The Mortgagor hereby irrevocably grants to the Mortgagee and its agents, contractors and designees the right, at any time and from time to time, to inspect and copy all of the Mortgagor's records relating to environmental matters and to enter all buildings, improvements, and facilities of the Mortgagor for such purpose. The Mortgagor hereby grants to the Mortgagee a continuing security interest in and to all of the Mortgagor's existing and future records that relate in any way to any environmental matters, whether located at the Premises or elsewhere, whether in the possession or control of the Mortgagor or any other person (including any federal, state, or local agency or instrumentality), and whether written, photographic, computerized, or in any other form, state or condition, and the proceeds and products thereof. The Mortgagee or its agent, contractor or designee may interview any or all of the Mortgagor's agents, employees, and independent contractors and consultants regarding environmental matters, including any consultants or experts retained by the Mortgagor, all of whom are hereby irrevocably authorized and directed by Mortgagor to discuss environmental issues fully and openly with the Mortgagee and its agents, contractors and designees and to provide to them such information as may be requested by any of them. All costs and expenses paid or incurred by the Mortgagee at any time or from time to time for or with respect to the tests, inspections, investigations and examinations which the Mortgagee may conduct, including (without limitation) the fees and expenses of the Mortgagee's consultants, engineers, laboratories, and contractors, shall be paid by the Mortgagor on demand by the Mortgagee. The Mortgagee may, but shall not be required to, advance such costs and expenses on behalf of the Mortgagor. All sums so advanced shall bear interest at the highest rate provided with respect to the Loan, and all such advances shall be deemed indebtedness owing under the Note and secured by the Security Documents.

2. Duration and Defeasance. The Environmental Easement shall exist and continue until such time as all of the Liabilities have been fully paid, performed and satisfied, the Mortgagee has no further obligation to advance any amounts to the Mortgagor under or with respect to the Loan Agreement or any of the Loan Documents, and this Mortgage has been released of record. A release of this Mortgage shall also be deemed to constitute and evidence a termination of the Environmental Easement.

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3. Enforcement. The Mortgagor (i) acknowledges that no adequate remedy at law exists for a violation of the Environmental Easement or for the Mortgagor's failure or refusal to provide to the Mortgagee any or all of the access, rights or other benefits set out or described in any provision of this Article IV, and (ii) agrees that the Mortgagee shall have the right to enforce the Environmental Easement and all of the other provisions of this Article IV by any and all equitable writs, decrees, remedies and relief (including, without limitation, temporary and preliminary injunctive relief). The Mortgagor agrees to pay all of the Mortgagee's costs and expenses of enforcement (including, without limitation, court costs and attorneys' fees and expenses) of the provisions of this Article IV.

4. Running with the Land; Assignability. The Environmental Easement is intended to be and shall be construed as an interest in the Premises and as an easement in gross; it is not intended to be a personal right of the Mortgagee or a mere license. The Environmental Easement, and all rights and benefits of the Mortgagee as set out in this Article IV, shall run with and bind the Land and the Premises, shall be binding upon all successor owners of any and every estate and interest in the Premises, and shall be deemed to have been assigned to and be enforceable by and inure to the benefit of whoever holds the indebtedness secured by this Mortgage.

5. Revocability. The Environmental Easement is irrevocable.

6. Mortgagee not Mortgagee in Possession. The exercise of the rights granted hereunder shall not constitute the Mortgagee a mortgagee in possession with respect to the Premises.

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WITNESS the respective hands and seals of the Land Trustee and the Borrower at Chicago, Illinois, on the day and year first above written, pursuant to proper authority duly granted.

American National Bank and Trust
Company of Chicago,
not personally but as Trustee
under Trust Agreement dated
July 25, 1995, and known as
Trust No. 120631-03

By: 

Title: AND U.P.

By: 

Title: Asst Secy-1

FORTY EAST ASSOCIATES, L.P., a
Delaware limited partnership

By: Golub Forty East Associates,
L.P., an Illinois limited
partnership, managing general
partner

By: Golub Forty East
Corporation, an Illinois
corporation, general
partner

By: 

Its: TREASURER

By: Lucre Lake Corporation, a
Delaware corporation, general
partner

By: _____
Its: _____

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WITNESS the respective hands and seals of the Land Trustee and the Borrower at Chicago, Illinois, on the day and year first above written, pursuant to proper authority duly granted.

American National Bank and Trust
Company of Chicago,
not personally but as Trustee
under Trust Agreement dated
July 25, 1995, and known as
Trust No. 120631-03

By: _____
Title: _____

By: _____
Title: _____

FORTY EAST ASSOCIATES, L.P., a
Delaware limited partnership

By: Golub Forty East Associates,
L.P., an Illinois limited
partnership, managing general
partner

By: Golub Forty East
Corporation, an Illinois
corporation, general
partner

By: _____
Its: _____

By: Lucre Lake Corporation, a
Delaware corporation, general
partner

By: [Signature]
Its: [Signature]

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Accepted:

INTERNATIONALE NEDERLANDEN (U.S.)
CAPITAL CORPORATION

By Laura B. Olinski
Name: LAURA B OLINSKI
Title: VP



This instrument was prepared by
(and after recordation should
be returned to):

Robert M. Berger
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60603
(312) 782-0600

P.I.N. # 17-03-209-013, 014 and 015
Common address of Property:
40 East Delaware Place
Chicago, Illinois 60611

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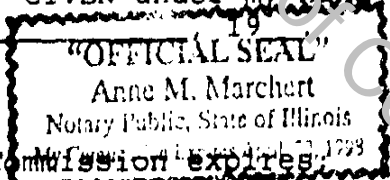
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT P. JOHANSEN personally known to me to be the President of AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, a national banking corporation, as Trustee as aforesaid and Gregory S. Kasprzyk personally known to me to be the ASSISTANT Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President and ASSISTANT Secretary of said corporation, they signed and delivered the said instrument pursuant to proper authority duly given by the Board of Directors of said corporation as Trustee as aforesaid, as their free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this AUG 3 1995 day of



Anne M. Marchert
Notary Public

[SEAL]

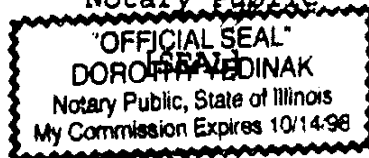
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, DOROTHY YEDINAK, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT MICHAEL NEWMAN TREASURER of Golub Forty East Corporation, an Illinois corporation, the general partner of Golub Forty East Associates, L.P., a Delaware limited partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such TREASURER he signed and delivered the said instrument pursuant to proper authority, as his free and voluntary act, and as the free and voluntary act and deed of said general partner, for the uses and purposes therein set forth, on behalf of said limited partnership, as general partner of Forty East Associates, L.P.

GIVEN under my hand and notarial seal this 3rd day of AUGUST, 1995.

Dorothy Yedinak
Notary Public

My Commission expires:



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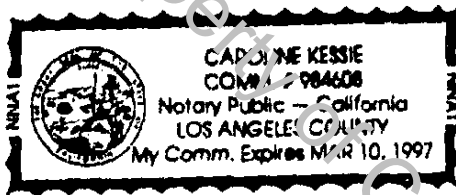
STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

)
)
)
SS.

On August 2, 1995 before me, Caroline Kessie
personally appeared Andrew Sundt, of Lucre Lake
Corporation, a Delaware corporation, a general partner of FORTY
EAST ASSOCIATES, L.P., a Delaware limited partnership, proved to me
on the basis of satisfactory evidence to be the person whose name
is subscribed to the within instrument and acknowledged to me that
he executed the same in his authorized capacity, and that by his
signature on the instrument the person, or the entity upon behalf
of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Caroline Kessie
Notary Public

Cook County Clerk's Office

9/10/95

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EXHIBIT A

Parcel 1:

Lots 4 and 5 in Napier's Resubdivision of Lots 2 and 5, both inclusive, in the Superior Court Partition, being a subdivision of the East 2/3 of Block 12 in The Canal Trustees' Subdivision of the South fractional 1/4 of Section 3, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

Lot 1 in the Superior Court Partition of the East 2/3 of Block 12 in the Subdivision by the Commissioners of Illinois and Michigan Canal of the South fractional 1/4 of Section 3, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Common Street Address: 40 East Delaware
Chicago, Illinois

Permanent Tax Number: 17-03-209-013
17-03-209-014
17-03-209-015

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EXHIBIT B

Permitted Exceptions

1. General Real Estate Taxes for the year 1994 and subsequent years, not yet due and payable.
2. Lease between LaSalle National Bank, as Trustee under Trust Number 107196 to Chalet International Inc., Tenant, dated March 26, 1985 and recorded March 27, 1985 as Document No. 27490808, for a term beginning December 1, 1984 and ending November 30, 1994 with option to extend for 3 periods of 5 years each and rights of all claiming thereunder.
3. Encroachment of an iron bumper attached to building located mainly on land over onto public alley North and adjoining by about 2 feet, as disclosed by survey dated July 12, 1995 by John D. McTigue.
4. Encroachment of the brick building located mainly on the land over on the land wet and adjoining by about .22 feet at roof, as disclosed by survey dated July 12, 1995 by John D. McTigue.
5. Encroachment of cornice and brick of the building located mainly on the land over onto the public street south and adjoining by about 0.07 feet, as disclosed by survey dated July 12, 1995 by John D. McTigue.
6. Encroachment of overhead bays of the building located mainly on the land over and onto the public street east and adjoining by about 1.51 feet and 1.61 feet and over street south and adjoining by about 1.87 feet and by 1.62 feet, as disclosed by survey dated July 12, 1995 by John T. McTigue.
7. Encroachment of the canopy over and onto the public sidewalk lying south and adjoining, as disclosed by survey dated July 12, 1995 by John T. McTigue.
8. Ordinance recorded December 3, 1991 as Document No. 91075841.

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