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THIS INSTRUMENT PREPARED BY
AND WHEN RECORDED MAIL TO:

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. DEPT-01 RECORDING \$119.50
. T6666 TRAN 5047 12/28/95 14:02:00
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. COOK COUNTY RECORDER

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MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (hereafter referred to as the "Mortgage") is made and entered into as of December 22, 1995, from CLARK STREET L.L.C., an Illinois limited liability company (hereafter referred to as "Borrower") to PROVIDIAN LIFE AND HEALTH INSURANCE COMPANY, a Missouri corporation, and PEOPLES SECURITY LIFE INSURANCE COMPANY, a North Carolina corporation (hereafter referred to as "Lenders"), whose address is c/o Providian Capital Management Real Estate Services Inc., Asset Management Department, 12th Floor, P.O. Box 32830, Louisville, Jefferson County, Kentucky, 40232;

W I T N E S S E T H:

FOR and in consideration of the premises, the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, and in order to secure the indebtedness and other obligations of Borrower hereafter set forth, Borrower does hereby grant, bargain, sell, convey, mortgage, assign, transfer, pledge and set over unto Lenders and the successors and assigns of Lenders all of the following (hereafter collectively referred to as the "Property"):

A. All that tract or parcel of land located in Cook County, State of Illinois, as more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (hereafter referred to as the "Land");

B. All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all gas and electric fixtures, radiators, pipes, heaters, furnaces, engines and machinery, escalators, boilers, ranges, elevators, motors, plumbing and heating fixtures, carpeting and other floor coverings, fire extinguishers and any other safety equipment required by governmental regulation or law, washers, dryers, water

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heaters, mirrors, mantels, air conditioning apparatus (including, without limitation humidity control equipment), refrigeration plants, refrigerators, cooking apparatus and appurtenances, window screens, awnings and storm sashes, alarm devices of any type, automatic sprinkler systems, carpet, cabinets and shelving, partitions, paneling, and wall covering, and windows of every type, which are or shall be attached to the Land or said buildings, structures, or improvements and all other fixtures, machinery, equipment, furniture, furnishings, appliances, vehicles, building supplies and materials, books and records, chattels, inventory, accounts, farm products, consumer goods, general intangibles and personal property of every kind and nature whatsoever (other than personal property which may be or deemed to be toxic or Hazardous Materials, as defined herein) now or hereafter owned by Borrower and located in, on, or about, or used or intended to be used with or in connection with the use, operation, or enjoyment of the Property, including all extensions, additions, improvements, betterments, after-acquired property, renewals, replacements and substitutions, and proceeds from a sale of any of the foregoing, and all right, title and interest of Borrower in any such fixtures, machinery, equipment, furniture, furnishings, appliances, vehicles, goods to become fixtures, and personal property subject to or covered by any prior security agreement, conditional sales contract, chattel mortgage or similar lien or claim, together with the benefit of any deposits or payments now or hereafter made by Borrower or on behalf of Borrower, all tradenames, trademarks, servicemarks, logos and goodwill which in any way are now owned or hereafter belong, relate or appertain to the Property or any part thereof or are now owned or hereafter acquired by Borrower and which relate or pertain to the Property; and all inventory, accounts, chattel paper, documents, equipment, fixtures, farm products, consumer goods and general intangibles constituting proceeds acquired with cash proceeds of any of the property described hereinabove, all of which are hereby declared and shall be deemed to be fixtures and accessions to the Land and a part of the Property as between the parties hereto and all persons claiming by, through or under them, and which shall be deemed to be a portion of the security for the indebtedness herein described and to be secured by this Mortgage, but excluding any property owned by tenants;

C. All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Land or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, minerals, royalties, easements, privileges, liberties, tenements, hereditaments and appurtenances, reversion and reversions, remainder and remainders whatsoever, in any way belonging, relating or appertaining to the Property or any part thereof, or which hereafter shall in any way

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belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Borrower;

D. All present and future income, rents, issues, profits and revenues of the Property from time to time accruing (including, without limitation, all payments under leases or tenancies, unearned premiums on any insurance policy carried by Borrower for the benefit of Lenders and/or the Property, tenant security deposits, escrow funds and all awards or payments, including interest thereon and the right to receive same, growing out of or as a result of any exercise of the right of eminent domain, including the taking of any part or all of the Property or payment for alteration of the grade of any street upon which said Property abuts, or any other injury to, taking of or decrease in the value of the Property to the extent of all amounts which may be owing on the indebtedness secured by this Mortgage at the date of receipt of any such award or payment by Borrower, and the reasonable attorneys' fees, costs and disbursements incurred by Lenders in connection with the collection of such award or payment), and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law or in equity, of Borrower of, in and to the same; reserving only the right to Borrower to collect the same as long as no Default, default, Event of Default or event of default as defined in Paragraph 2.1 shall have occurred; and

E. All insurance policies and proceeds thereof, contracts, permits, licenses, plans or intangibles now or hereafter dealing with, affecting or concerning the Property, including, without limitation, all rights accruing to Borrower from any and all contracts with all contractors, architects, engineers or subcontractors relating to the construction of improvements on or upon the Property, including payment, performance and/or materialmen's bonds and any other related choses in action;

TO HAVE AND TO HOLD the Property and all parts, rights, members, and appurtenances thereof, for the use, benefit and behoof of Lenders and the successors and assigns of Lenders, and Borrower covenants that Borrower is lawfully seized and possessed of the Property as aforesaid, and has good right to convey and mortgage the same, that the same are unencumbered except as to those matters expressly set forth in Exhibit B, attached hereto and incorporated herein by this reference (hereafter referred to as the "Permitted Exceptions"), and that Borrower does warrant and will forever defend the title thereto against the claims of all persons whomsoever, except as to the Permitted Exceptions.

This instrument is given to secure the payment of the following in such manner as Lenders in their sole discretion shall determine (hereafter collectively referred to as the "Indebtedness"):

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A. The debt evidenced by [i] that certain Promissory Note dated of even date herewith in the original principal amount of \$10,000,000 made by Borrower to the order of Providian Life and Health Insurance Company, and [ii] that certain Promissory Note dated of even date herewith in the original principal amount of \$6,350,000 made by Borrower to the order of Peoples Security Life Insurance Company (hereafter collectively the "Note") together with any and all renewals, extensions, substitutions, modifications and consolidations of the indebtedness evidenced by the Note;

B. Any and all additional advances made by Lenders to protect or preserve the Property or the security title or interest created hereby on the Property, or for taxes, assessments or insurance premiums as hereafter provided, or for performance of any of Borrower's obligations hereunder, or for any other purpose provided herein (whether or not the original Borrower remains the owner of the Property at the time of such advances), provided, however, nothing herein shall be deemed to obligate Lenders to make any such advances.

C. Any and all other indebtedness now owing or which may hereafter be owing by Borrower to Lenders, now existing or hereafter coming into existence, however and whenever incurred or evidenced, whether express or implied, direct or indirect, absolute or contingent or due or to become due, and all renewals, extensions, substitutions, modifications and consolidations thereof; and

D. Any and all obligations and covenants of Borrower under any other document, instrument or agreement now or hereafter evidencing, securing or otherwise relating to the Note secured hereby (the Note, this Mortgage, the Absolute Assignment of Leases and Rents, the Environmental Indemnity Agreement, any Loan Agreement, Escrow Agreement or Holdback Agreement, the UCC Financing Statements, and Borrower's Affidavit [each of the foregoing being dated of even date herewith], and the Mortgage Loan Application/Commitment between Borrower's predecessor, Clark Street Limited Partnership, and Providian Capital Management Real Estate Services Inc. dated June 22, 1995, as amended by letter dated June 26, 1995 and subsequently assigned to Lenders, [as amended, hereafter referred to as the "Commitment"] and all of such other documents, instruments and agreements are hereafter sometimes referred to collectively as the "Loan Documents"), and all costs of collection, including reasonable attorneys' fees.

Provided, always, and it is the true intent and meaning of the parties, that when Borrower shall pay or cause to be paid to Lenders, their successors or assigns, the Indebtedness according to the conditions and agreements of the Note and of this Mortgage and shall keep, perform and observe all of the covenants, obligations and agreements contained in the Loan Documents, all without delay, as required thereunder and hereunder, then this Mortgage shall

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cease, terminate and be null and void; otherwise this Mortgage shall remain in full force and effect.

Borrower hereby further covenants and agrees with Lenders as follows:

ARTICLE 1

1.1 Payment of Indebtedness, Covenants and Warranties.

A. Borrower will pay the Note according to the terms thereof and will pay all other sums now or hereafter secured hereby at the time and in the manner provided under the Note, this Mortgage, any instrument evidencing a future advance and any other Loan Document and Borrower will otherwise perform, comply with and abide by each and every of the stipulations, agreements, conditions and covenants contained in the Note, this Mortgage and every other Loan Document and any lease or other agreement with respect to the Property to which Borrower is a party.

B. Borrower shall protect, indemnify and hold Lenders harmless from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs, and expenses (including, without limitation, attorneys' fees and court costs) imposed upon or incurred by Lenders by reason of this Mortgage or in exercising, performing, enforcing, or protecting their rights, title, or interests set forth herein, and any claim or demand whatsoever which may be asserted against Lenders by reason of any alleged obligation or undertaking to be performed or discharged by Lenders under this Mortgage. In addition, Borrower covenants and agrees that it shall:

[1] not initiate, join in or consent to any change in any covenant, zoning ordinance, easement, or other public or private restriction, limiting or defining the uses which may be made of the Property, or any part thereof, without Lenders' prior written consent;

[2] not take any action or fail to take any action which will result in any imposition affecting the Property, Borrower, the Note or this Mortgage;

[3] indemnify and hold Lenders harmless from any and all costs, damages or liabilities resulting from, arising out of, or related to, the creation or existence of liens, impositions or encumbrances by or against Borrower or Borrower's predecessor in title, or the Property; and

[4] execute such additional documents as Lenders may require to evidence and confirm this Mortgage.

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C. Borrower hereby represents, warrants, and agrees as follows:

[1] Borrower has neither done any act nor failed to do any act which might prevent Lenders from, or limit Lenders in, acting under any of the provisions of this Mortgage;

[2] Neither the execution and delivery of this Mortgage, nor the performance of each and every covenant of Borrower under this Mortgage, nor the satisfaction of each and every condition contained in this Mortgage, conflicts with, or constitutes a breach or default under, any agreement, indenture, or other instrument to which Borrower is a party or is subject, or any law, ordinance, administrative regulation, or court decree which is applicable to Borrower;

[3] No action has been brought or, to the best of Borrower's knowledge, is threatened, which would interfere in any way with the right of Borrower to execute this Mortgage and perform all of Borrower's obligations contained in this Mortgage;

[4] To the best of Borrower's knowledge, this Mortgage and the Loan Documents, constitute legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their terms;

[5] The financial statements submitted with the Commitment, and the representations and warranties of Borrower contained in this Mortgage and the Loan Documents, are true and correct as of the date of this Mortgage; and

[6] There is no litigation, arbitration, investigation, or administrative proceeding of or before any court, arbitrator or governmental authority, pending or threatened [a] by or against Borrower, [b] with respect to or against the Property, [c] with respect to the Loan Documents, or [d] which could have a material adverse effect on the business, operations, property, or general condition of Borrower, any guarantor of the Note, or any principal of Borrower.

[7] To the best of Borrower's knowledge, the Property is in full compliance with all standards and requirements specified under or required by Title III of the Americans With Disabilities Act of 1990 (the "ADA"), 42 U.S.C.A.12101, et seq., including but not limited to all applicable Accessibility Guidelines and any other regulations promulgated thereunder.

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[8] Borrower acknowledges and agrees that the loan secured by this Mortgage constitutes a business loan within the purview of 815 ILCS 20514 et seq., as amended.

[9] The Property [i] is not subject to reporting under Section 312 of the Federal Emergency Planning and Community Right-to-Know Act of 1986, as amended (42 U.S.C. §1101 et seq.) and the federal regulations promulgated thereunder and [ii] does not contain any underground storage tanks which require notification under Section 9002 of the Solid Waste Disposal Act, as amended (42 U.S.C. §6991).

1.2 Taxes, Liens and Other Charges.

A. In the event of the passage of any law, order, rule or regulation subsequent to the date hereof, in any manner changing or modifying the taxation of mortgages or security agreements or debts secured thereby or the manner of collecting taxes so as to affect Lenders adversely, Borrower shall promptly pay any such tax on or before the due date thereof. If Borrower fails to make such prompt payment or if, in the opinion of Lenders, any such law, order, rule or regulation prohibits Borrower from making such payment or would penalize Lenders if Borrower makes such payment or if, in the opinion of Lenders, the making of such payment might result in the imposition of interest beyond the maximum amount permitted by applicable law, then the entire balance of the Indebtedness secured by this Mortgage and all accrued interest thereon shall, at the option of Lenders, become due and payable ninety (90) days after written notice from Lenders, without prepayment premium.

B. Borrower shall pay or cause to be paid, at least thirty (30) days before the due date thereof, all taxes, levies, license fees, permit fees, liens, judgments, assessments and all other expenses, fees and charges (in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen) of every character whatsoever now or hereafter levied, assessed, confirmed or imposed on, or with respect to, or which may be a lien upon, the Property, or any part thereof, or any estate, right, or interest therein, or upon the rents, issues, income or profits thereof, or incurred in connection with the Note, the Indebtedness or any of the Loan Documents, and all premiums on policies of insurance covering, affecting, or relating to the Property, as required pursuant to Paragraph 1.3 hereof, and shall submit to Lenders such evidence of the due and punctual payment of all such taxes, assessments, insurance premiums and other fees and charges as Lenders may require.

C. Borrower shall not suffer any mechanic's, materialman's, laborer's, statutory or other lien to be created, filed of record or to remain outstanding upon all or any part of the Property.

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1.3 Insurance.

A. Borrower shall, at its expense, procure for or cause to be procured for, deliver to and maintain for the benefit of Lenders until the Indebtedness is fully repaid, original, fully paid insurance policies (or if such policy is a "blanket" policy which includes land, improvements, personalty, or income other than the Property or income derived from the Property, a certified copy of such blanket policy and an original certificate from the insurer evidencing the allocation of coverage to the Property and the income from the Property), providing the following types of insurance relating to the Property, issued by insurance companies with a Best's rating of "A" or better, in such amounts, in such form and content and with such expiration dates as are approved by Lenders, in Lenders' sole discretion, such policies to provide that the insurer shall give Lenders at least thirty (30) days' prior written notice of cancellation, amendment, non-renewal or termination, in the manner provided for the giving of notices under Paragraph 3.5 hereof and to provide that no act done or omission by the insured shall invalidate or diminish the insurance provided to Lenders and, except for liability policies, to contain a standard mortgagee clause satisfactory to Lenders:

[1] Broad form property insurance against all risks of physical loss, including, without limitation, fire, extended coverage, vandalism, malicious mischief, and collapse, with waiver of subrogation, to the extent of the full replacement cost of the improvements to the Property, without deduction for depreciation, either without co-insurance requirements or with agreed amount endorsement attached;

[2] Public liability insurance covering all liabilities incident to the ownership, possession, occupancy and operation of the Property and naming Lenders as an additional insured thereunder, having limits of not less than \$1,000,000 each accident, \$1,000,000 each person, and \$500,000 property damage. Lenders reserves the right to require increased coverage under this Subparagraph [2];

[3] Rent or business interruption insurance against loss of income arising out of any hazard against which the Property is required to be insured under Subparagraph 1.3A[1] above, in an amount not less than six (6) months' gross rental income from the Property;

[4] Such other insurance with respect to the Property or any replacements or substitutions therefor, in such amounts as may from time to time be required by Lenders, against other insurable casualties which at the time are commonly insured against in the case of properties of similar character.

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B. Borrower covenants and agrees that Lenders are hereby authorized and empowered, at their option, to adjust, compromise or settle any loss under any insurance policies maintained pursuant hereto, and to collect and receive the proceeds from any policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Lenders, instead of to Borrower and Lenders jointly. In the event any insurance company fails to disburse directly and solely to Lenders but disburses instead either solely to Borrower or to Borrower and Lenders jointly, Borrower agrees immediately to endorse and transfer such proceeds to Lenders. Upon the failure of Borrower to endorse and transfer such proceeds as aforesaid, Lenders may execute such endorsements or transfers for and in the name of Borrower, and Borrower hereby irrevocably appoints Lenders as its agent and attorney-in-fact to do so. After deducting from said insurance proceeds all of their expenses incurred in the collection and administration of such sums, including attorneys' fees, Lenders may apply the net proceeds or any part thereof, at their sole option [i] to a prepayment of the Note without prepayment premium or penalty, [ii] to the repair and/or restoration of the Property, upon such conditions as Lenders may determine, and/or [iii] for any other purposes or objects for which Lenders are entitled to advance funds under this Mortgage, all without reducing or impairing the lien of this Mortgage or any obligations secured hereby. Any balance of such proceeds then remaining shall be paid to Borrower or any other person or entity lawfully entitled thereto. Lenders shall not be obligated to see to the proper application of any amount paid over to Borrower and shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy, regardless of the cause of such failure. Notwithstanding the foregoing, Lenders shall release the net insurance proceeds to Borrower to be utilized by Borrower for the repair, rebuilding, or restoration of the improvements to the Property to as good or better condition as such improvements were in immediately prior to any casualty on account of which such proceeds are paid (the "Restoration"), provided that such net proceeds shall be released upon such conditions as Lenders shall determine, including fulfillment of the following conditions to the satisfaction of Lenders, Lenders exercising their sole discretion:

[1] Lenders shall have determined that the improvements to the Property can be restored to as good or better condition as such improvements were in immediately prior to the casualty on account of which such proceeds were paid;

[2] Lenders shall have determined that such net proceeds, together with any funds paid by Borrower to Lenders, shall be sufficient to complete the Restoration;

[3] No default, and no event or failure which, with the passage of time or the giving of notice, would constitute

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a default under the Note, this Mortgage, or any of the Loan Documents, shall have occurred;

[4] Such casualty shall have occurred prior to the first day of the last Loan Year (as such term is defined in the Note) of the term of the Note;

[5] No Lease shall have been terminated or shall be subject to termination as a result of such damage, and no rent shall have been abated or shall be subject to abatement unless such rent is fully covered by rent loss or business interruption insurance; and

[6] Lenders shall have approved the plans and specifications to be used in connection with the Restoration and shall have received written evidence, satisfactory to Lenders, that such plans and specifications have been approved by all governmental and quasi-governmental authorities having jurisdiction and by all other persons or entities required to approve such plans and specifications.

Net proceeds in excess of the amount necessary to complete the Restoration shall, at the option of Lenders, be applied to the outstanding indebtedness, in such order as Lenders may determine in their sole discretion.

If, within a reasonable period of time after the occurrence of any casualty, Borrower shall not have submitted to Lenders, and received Lenders' approval of, plans and specifications for the Restoration or shall not have obtained approval of such plans and specifications from all governmental authorities and other persons and entities whose approval is required, or if Borrower shall fail to commence promptly such Restoration, or if thereafter Borrower fails to carry out diligently such Restoration or is delinquent in the payment to mechanics, materialmen or others for the costs incurred in connection with such Restoration, or if Lenders determine that any other condition of this paragraph is not satisfied within a reasonable period of time after the occurrence of any such loss or damage, then in addition to all other rights herein set forth, at Lenders' option [x] Lenders may declare that an Event of Default has occurred and/or [y] Lenders may dispose of such net proceeds as provided in this Paragraph 1.3B and/or [z] Lenders, or any lawfully appointed receiver of the Property may, but shall not be obligated to, perform or cause to be performed such Restoration and may take such other steps as they deem advisable to carry out such Restoration and may enter upon the Property for any of the foregoing purposes, and Borrower hereby waives, for itself and all others holding under it, any claim against Lenders and such receiver (other than a claim based upon the alleged gross negligence or intentional misconduct of Lenders or any such receiver) arising out of anything done by them or any of them

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pursuant to this Paragraph 1.3B and Lenders may, in their discretion apply any insurance proceeds held by it to reimburse itself and/or such receiver for all amounts expended or incurred in connection with the performance of such Restoration, including attorneys' fees, and any excess costs shall be paid by Borrower to Lenders and Borrower's obligation to pay such excess costs shall be secured by the lien of this Mortgage and shall bear interest at the default rate set forth in the Note, until paid.

C. At least twenty (20) days prior to the expiration date of each policy maintained pursuant to this Paragraph 1.3, a renewal or replacement thereof satisfactory to Lenders shall be delivered to Lenders. Borrower shall deliver to Lenders receipts evidencing the full payment of premiums for all such insurance policies and renewals or replacements. The delivery of any insurance policies hereunder shall constitute an assignment of all unearned premiums as further security hereunder. In the event of the foreclosure of this Mortgage or any other transfer of title to the Property in extinguishment or partial extinguishment of the Indebtedness, all right, title and interest of Borrower in and to all insurance policies maintained pursuant to this Paragraph 1.3 then in force shall belong to the purchaser and Lenders are hereby irrevocably appointed by Borrower as attorney-in-fact for Borrower to assign any such policy to said purchaser, without accounting to Borrower for any unearned premiums therefor.

1.4 Monthly Deposits. Borrower shall deposit monthly with Lenders, concurrently with each regular monthly loan payment, or at Lenders' option, with an escrow agent designated by Lenders, whose fee shall be paid by Borrower, until the Indebtedness is fully repaid, such sum or sums determined by Lenders in their sole discretion to be sufficient to pay, at least thirty (30) days before due, all taxes, assessments, insurance premiums and similar charges (hereafter referred to as "Impositions") with respect to the Property. Said deposits shall be held by Lenders or such escrow agent free of any liens or claims on the part of creditors of Borrower and as part of the security of Lenders, to be used by Lenders to pay the Impositions as the same accrue and are payable. Nothing contained herein shall cause Lenders to be deemed a trustee as to said deposits. Said deposits may be commingled with the general funds of Lenders and no interest shall be payable thereon. If said funds are insufficient to pay the Impositions in full, as the same become payable, Borrower will deposit with Lenders such additional sum or sums as may be required. Nothing contained herein shall cause Lenders to be obligated to pay any amounts in excess of the amount of funds deposited with Lenders pursuant to this paragraph. Should Borrower fail to deposit with Lenders sums sufficient to pay in full the Impositions at least thirty (30) days before the date when due, Lenders, at Lenders' election, but without any obligation so to do, may advance any amounts required to make up the deficiency, and any amounts so advanced shall be deemed part of the Indebtedness secured by the Loan Documents.

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Upon any default or event of default under this Mortgage or the Note or any other Loan Document, Lenders may, at their option, apply any money in the fund resulting from said deposits to the payment of the Indebtedness in such manner as it may elect. In the event of a foreclosure of this Mortgage, the purchaser of the Property shall succeed to all the rights of Borrower in and to such deposits. The collection of such deposits by Lenders shall not relieve Borrower of any of the obligations of Borrower under Paragraph 1.2 or 1.3 or any other provision of this Mortgage, and under no circumstances shall Lenders be liable for failure to make any payment on behalf of Borrower, including, without limitation, payments of taxes, assessments or insurance premiums.

1.5 Condemnation. If all or any portion of the Property shall be damaged or taken through condemnation (which term when used in this Mortgage shall include any damage or taking by any governmental or quasi-governmental authority and any transfer or grant by private sale made in anticipation of or in lieu thereof), either temporarily or permanently, then the entire Indebtedness shall, at the option of Lenders, become immediately due and payable without prepayment premium and without notice to Borrower or any other person or entity. Promptly upon learning of the institution or the proposed, contemplated or threatened institution of any condemnation proceeding, Borrower shall notify Lenders of the pendency of such proceedings, and no settlement respecting awards in such proceedings shall be effected without the consent of Lenders. Lenders shall be entitled to receive all compensation, awards, proceeds and other payments or relief relating to or payable as a result of such condemnation. Lenders are hereby authorized, at their option, to commence, appear in and prosecute, in their own or in the name of Borrower, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by Borrower to Lenders. If Lenders do not elect to declare the entire Indebtedness immediately due and payable, as provided above, then Lenders, after deducting from said condemnation proceeds all of their expenses incurred in the collection and administration of such sums, including, without limitation, attorneys' fees, may apply the net proceeds or any part thereof, at their option, [i] to a prepayment of the Note, without prepayment premium, [ii] to the repair and/or restoration of the Property upon such conditions as Lenders may determine, and/or [iii] for any other purposes or objects for which Lenders are entitled to advance funds under this Mortgage, all without reducing or impairing the lien of this Mortgage or any obligations secured hereby. Any balance of such moneys then remaining shall be paid to Borrower or any other person or entity lawfully entitled thereto. Lenders shall not be obligated to see to the proper application of any amount paid over to Borrower. Borrower agrees to execute such further assignment of any compensation, awards, damages, claims, rights of action and proceeds as Lenders may require. If, prior to

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the receipt by Lenders of such award or proceeds, the Property shall have been sold on foreclosure of this Mortgage, or as a result of other legal action relating to this Mortgage or the Note, Lenders shall have the right to receive such award or proceeds to the extent of any unpaid Indebtedness following such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage or the Note shall have been sought or recovered, and to the extent of attorneys' fees, costs and disbursements incurred by Lenders in connection with the collection of such award or proceeds. Notwithstanding the foregoing, Lenders shall release the net proceeds of any award paid to it for any taking of a portion of the Property to Borrower to be utilized by Borrower in the restoration of the Property and the improvements thereon to as good or better condition as existed immediately prior to such taking, to the extent possible in light of the taking (the "Restoration"), provided that such net proceeds shall be released upon such conditions as Lenders shall determine, including fulfillment of the following conditions to the satisfaction of Lenders, Lenders exercising their sole discretion:

[1] Lenders shall have determined that the Property and the improvements thereon can be restored to as good or better condition as existed immediately prior to such taking, taking into account diminution of the Property as a result of such taking;

[2] Lenders shall have determined that such net proceeds, together with any funds paid by Borrower to Lenders, shall be sufficient to complete the Restoration;

[3] No default, and no event or failure which, with the passage of time or the giving of notice, would constitute a default under the Note, this Mortgage, or any of the Loan Documents, shall have occurred;

[4] Such taking shall have occurred prior to the first day of the last Loan Year (as such term is defined in the Note) of the term of the Note;

[5] The remaining Property shall comply with all applicable land use, zoning and subdivision regulations;

[6] No Lease shall have been terminated or shall be subject to termination as a result of such condemnation and no rent shall have been abated or shall be subject to abatement unless such rent is fully covered by rent loss or business interruption insurance; and

[7] Lenders shall have approved the plans and specifications to be used in connection with the Restoration and shall have received written evidence, satisfactory to Lenders, that such plans and specifications have been approved by all governmental and quasi-governmental authorities having jurisdiction and by all other

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persons or entities required to approve such plans and specifications.

Net proceeds in excess of the amount necessary to complete the Restoration shall, at the option of Lenders, be applied to the outstanding Indebtedness, in such order as Lenders may determine in their sole discretion.

If, within a reasonable period of time after the occurrence of any such taking, Borrower shall not have submitted to Lenders, and received Lenders' approval of, plans and specifications for the Restoration or shall not have obtained approval of such plans and specifications from all governmental authorities and other persons and entities whose approval is required, or if Borrower shall fail to commence promptly such restoration, or if thereafter Borrower fails to carry out diligently such Restoration or is delinquent in the payment to mechanics, materialmen or others for the costs incurred in connection with such Restoration, or if Lenders determine that any other condition of this paragraph is not satisfied within a reasonable period of time after the occurrence of any such taking, then in addition to all other rights herein set forth, at Lenders' option [x] Lenders may declare that an Event of Default has occurred and/or [y] Lenders may dispose of such net proceeds as provided in this Paragraph 1.5 and/or [z] Lenders, or any lawfully appointed receiver of the Property may, but shall not be obligated to, perform or cause to be performed such Restoration and may take such other steps as they deem advisable to carry out such Restoration, and may enter upon the Property for any of the foregoing purposes, and Borrower hereby waives, for itself and all others holding under it, any claim against Lenders and such receiver (other than a claim based upon the alleged gross negligence or intentional misconduct of Lenders or any such receiver) arising out of anything done by them or any of them pursuant to this Paragraph 1.5 and Lenders may, in their discretion apply any such net proceeds held by it to reimburse itself and/or such receiver for all amounts expended or incurred in connection with the performance of such Restoration, including attorneys' fees, and any excess costs shall be paid by Borrower to Lenders and Borrower's obligation to pay such excess costs shall be secured by the lien of this Mortgage and shall bear interest at the default rate set forth in the Note, until paid.

1.6 Care of Property.

A. Borrower shall keep or cause to be kept all improvements of any kind now or hereafter erected on the Land or any part thereof in good condition and repair, shall not commit or suffer any waste, and shall not do or suffer to be done anything which would or could increase the risk of fire or other hazard to the Property or any part thereof or which would or could result in

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the cancellation of any insurance policy carried with respect to the Property.

B. Borrower shall not remove, demolish or materially alter, enlarge or change any structure or other improvement located on the Land without Lenders' consent, unless the same is permitted by the leases approved by Lenders, nor shall any new improvements be constructed on the Property without Lenders' consent. Borrower shall not remove or permit to be removed from the Land any fixture, chattel or part of the Property without the consent of Lenders, except where appropriate replacements are immediately made which are free of any lien, security interest or claim superior to that of this Mortgage and which have a value and utility at least equal to the value and utility of the fixture or chattel removed, which replacement shall, without further action, become subject to the lien of this Mortgage.

C. Subject to the rights of Tenants pursuant to Leases approved by Lenders, Lenders or their representative is hereby authorized to enter upon and inspect the Property at all reasonable times.

D. Borrower will perform and comply promptly with and cause the Tenants to perform and comply promptly with, and cause the Property to be maintained, used and operated in accordance with, any and all [i] present and future laws, ordinances, rules, regulations and requirements of every duly constituted governmental or quasi-governmental authority or agency applicable to Borrower or the Property, including without limitation, all applicable federal, state and local laws pertaining to air and water quality, hazardous waste, waste disposal, air emissions and other environmental matters, all zoning and other land use matters, and rules, regulations and ordinances of the United States Environmental Protection Agency and all other applicable federal, state and local agencies and bureaus; [ii] similarly applicable orders, rules and regulations of any regulatory, licensing, accrediting, insurance underwriting or rating organization or other body exercising similar functions; [iii] similarly applicable duties or obligations of any kind imposed under any Permitted Exception, or otherwise by law, covenant, condition, agreement or easement, public or private; [iv] policies of insurance at any time in force with respect to the Property; [v] present and future handicap and disability compliance laws and regulations, including but not limited to, all standards and requirements specified under Title III of the ADA and all applicable Accessibility Guidelines and any other regulations promulgated thereunder; and [vi] the terms and conditions of any other financing secured by a lien on all or any part of the Property. If Borrower receives any notice that Borrower or the Property is in default under or is not in compliance with any of the foregoing, or notice of any proceeding initiated under or with respect to any of the foregoing, Borrower will promptly furnish a copy of such notice to Lenders.

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E. If all or any part of the Property shall be damaged by fire or other casualty, Borrower shall give immediate written notice thereof to Lenders and shall promptly restore the Property to the equivalent of its original condition; and if a part of the Property shall be damaged through condemnation, Borrower shall promptly restore, repair or alter the remaining portions of the Property in a manner satisfactory to Lenders. In the event all or any portion of the Property shall be damaged or destroyed by fire or other casualty or by condemnation, Borrower shall promptly deposit with Lenders a sum equal to the amount by which the estimated cost of the restoration of the Property, as determined by Lenders, exceeds the actual net insurance or condemnation proceeds received by Lenders in connection with such damage or destruction.

F. If any work required to be performed under this Paragraph 1.6 involves an estimated expenditure of more than five percent (5%) of the face amount of the Note secured hereby, no such work will be undertaken until plans and specifications therefor, prepared by an architect or engineer satisfactory to Lenders, have been submitted to and approved by Lenders.

1.7 Security Agreement.

A. With respect to the machinery, apparatus, equipment, fittings, fixtures, building supplies and materials, articles of personal property, chattels, chattel paper, documents, inventory, accounts, farm products, consumer goods and general intangibles referred to or described in this Mortgage or in any way connected with the use and enjoyment of the Property, including any personal property or fixtures included within the definition of the term "Property" (other than any personal property which may be now or hereafter deemed to be toxic or Hazardous Materials and any personal property which may now or hereafter be owned by tenants) whether now owned or hereafter from time to time acquired, together with all substitutions, replacements, additions, attachments, accessories and all of the rents, issues, income, revenues, security deposits and profits derived from the Property (hereafter collectively referred to as the "Collateral"), this Mortgage is hereby also made and declared to be a security agreement encumbering each and every item of such property comprising a part of the Collateral, in compliance with the provisions of the Uniform Commercial Code as enacted in the state where the Land is located, and Borrower hereby grants Lenders a security interest in all such property. Upon request by Lenders, at any time and from time to time, a financing statement or statements reciting this Mortgage to be a security agreement affecting all of such property shall be executed by Borrower and Lenders and appropriately filed. The remedies for any violation of the covenants, terms and conditions of the security agreement contained in this Mortgage shall include, but not be limited to those [i] prescribed herein, or [ii] prescribed by general law, or [iii] prescribed by the specific statutory consequences now or hereafter enacted and specified in

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said Uniform Commercial Code, all at Lenders' sole election. Borrower and Lenders agree that the filing of any such financing statement or statements in the records normally having to do with personal property shall not in any way affect the agreement of Borrower and Lenders that everything used in connection with the production of income from the Property or adapted for use therein or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings, both legal or equitable, shall be, regarded as part of the real estate conveyed hereby regardless of whether any such item is physically attached to the improvements, serial numbers are used for the better identification of certain items capable of being thus identified in an exhibit to this Mortgage, or any such item is referred to or reflected in any such financing statement or statements so filed at any time. Similarly, the mention in any such financing statement or statements of the rights in and to [A] the proceeds of any insurance policy, or [B] any award in eminent domain proceedings for a taking or for loss of value, or [C] Borrower's interest as landlord in any present or future lease or sublease or rights to income growing out of the use and/or occupancy of the Property, whether pursuant to a tenant lease of space in the Property or otherwise, shall not in any way alter any of the rights of Lenders as determined by this Mortgage or affect the priority of Lenders' security interest granted hereby or by any other recorded document, it being understood and agreed that such mention in such financing statement or statements is solely for the protection of Lenders in the event any court shall at any time hold with respect to the foregoing clauses [A], [B], or [C] of this sentence, that notice of Lenders' priority of interest, to be effective against a particular class of persons, must be filed in the Uniform Commercial Code records. Said security interest shall attach thereto as soon as Borrower obtains any interest in any of the Collateral and before the Collateral becomes fixtures or before the Collateral is installed or affixed to other collateral for the benefit of Lenders, to secure the Indebtedness, and all other sums and charges which may become due hereunder or thereunder. The security interest held by Lenders shall cover cash and non-cash proceeds of the Collateral, but nothing contained herein shall be construed as authorizing, either expressly or by implication, the sale or other disposition of the Collateral by Borrower, which sale or other disposition is hereby expressly prohibited without the Lenders' prior written consent, or as otherwise provided herein. No personal property or business equipment owned by any Tenants (as hereafter defined) holding under Borrower is included within this Mortgage, except to the extent of Borrower's landlord's lien with respect thereto.

In the event of default under this Mortgage, Lenders, pursuant to said Uniform Commercial Code, shall have the option of proceeding as to both real and personal property in accordance with their rights and remedies in respect of the real property, in which event the default provisions of the Uniform Commercial Code shall

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not apply. The parties agree that, in the event Lenders elect to proceed with respect to the Collateral separately from the real property, the requirement of the Uniform Commercial Code as to reasonable notice of any proposed sale or disposition of the Collateral shall be met if such notice is mailed to the Borrower, as hereafter provided, at least five (5) days prior to the time of such sale or disposition. Borrower agrees that, without the prior written consent of Lenders, Borrower will not remove or permit to be removed from the real property hereby conveyed, any of the Collateral unless the same is replaced immediately with unencumbered collateral of a quality and value equal or superior to that which it replaces. All such replacements, renewals and additions shall become and be immediately subject to the security interest of this Mortgage and be covered thereby. Borrower warrants and represents that all Collateral now is, and that all replacements thereof, substitutions therefor or additions thereto will be, free and clear of liens, encumbrances or security interests of others, except as to the Permitted Exceptions.

B. Borrower warrants that [i] Borrower's (that is, "Debtor's") name, identity, and principal place of business are as referred to in Paragraph 3.05 and in the first paragraph of this Mortgage, [ii] Borrower (that is, "Debtor") has been using or operating under said name and identity without change since _____, 199__, and [iii] the location of all tangible collateral is upon the Land. Borrower covenants and agrees that Borrower will furnish Lenders with notice of any change in the matters addressed by clauses [i] or [iii] of this Subparagraph 1.7B within thirty (30) days of the effective date of any such change, and Borrower will promptly execute any financing statements or other instruments deemed necessary by Lenders to prevent any filed financing statement from becoming misleading or losing its perfected status.

C. SOME OF THE ITEMS OF PROPERTY DESCRIBED HEREIN ARE GOODS THAT ARE OR ARE TO BECOME FIXTURES RELATED TO THE REAL ESTATE DESCRIBED HEREIN, AND IT IS INTENDED THAT, AS TO THOSE GOODS, THIS MORTGAGE AND SECURITY AGREEMENT SHALL BE EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING FROM THE DATE OF ITS FILING FOR RECORD IN THE REAL ESTATE RECORDS OF THE COUNTY IN WHICH THE LAND IS LOCATED. Information concerning the security interest created by this instrument may be obtained from the Lenders, as "Secured Party," or Borrower, as "Debtor," at their respective mailing addresses set out in Paragraph 3.5 hereof.

D. Borrower further covenants and agrees that all of the aforementioned personal property shall be owned by Borrower and shall not be the subject matter of any lease or other instrument, agreement or transaction whereby the ownership or beneficial interest thereof or therein shall be held by any person or entity other than Borrower, except to the extent Lenders consent in writing to any lease of any of such property, which consent may be

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withheld or delayed in Lenders' sole discretion; nor shall Borrower create or cause to be created any security interest covering any such property, other than [i] the security interest created herein in favor of Lenders, [ii] the rights of tenants lawfully occupying the Property pursuant to leases approved by Lenders, and [iii] the Permitted Exceptions.

1.8 Further Assurances: After-Acquired Property. At any time, and from time to time, at Borrower's expense and upon request by Lenders, Borrower shall make, execute and deliver or cause to be made, executed and delivered, to Lenders and, where appropriate, cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by Lenders, any and all such other and further deeds to secure debt, mortgages, deeds of trust, security agreements, financing statements, continuation statements, instruments of further assurances, certificates and other documents as may, in the reasonable opinion of Lenders, be necessary or desirable in order to effectuate, complete or perfect, or to continue and preserve, [i] the obligations of Borrower described in the Note and under this Mortgage and [ii] the lien of this Mortgage as a first and prior lien upon and security interest in and to all of the Property, whether now owned or hereafter acquired by Borrower, subject only to the Permitted Exceptions. Upon any failure by Borrower to do so, Lenders may make, execute, record, file, re-record and/or refile any and all such deeds to secure debt, mortgages, deeds of trust, security agreements, financing statements, continuation statements, instruments, certificates and documents for and in the name of Borrower, and Borrower hereby irrevocably appoints Lenders the agent and attorney-in-fact of Borrower so to do. The lien and security interest hereof shall automatically attach, without further act, to all after-acquired property attached to and/or used in the operation of the Property or any part thereof, to the extent permitted by law.

1.9 Expenses. Borrower shall indemnify Lenders and hold Lenders harmless from and against, and pay or reimburse Lenders, upon demand therefor, for all reasonable attorneys' fees, costs and expenses incurred by Lenders in any suit, action, legal proceeding or dispute of any kind in which Lenders are made a party or appears as a party plaintiff or defendant; affecting the Indebtedness, this Mortgage, or the interest created herein, or the Property, including, without limitation, any foreclosure proceedings, any condemnation action involving the Property, any federal bankruptcy proceeding or state insolvency proceeding involving the priorities or rights of creditors, any action to protect the security hereof, or any action or proceeding commenced by governmental authority with respect to the storage, disposal or clean-up of toxic or Hazardous Materials on, under or about the Property; and any such amounts paid by Lenders shall be added to the Indebtedness secured

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by the lien of this Mortgage and shall bear interest from and after the date when paid at the default rate in effect under the Note.

1.10 Subrogation. To the full extent of the Indebtedness, Lenders are hereby subrogated to the liens, claims and demands, and to the rights of the owners and holders of each lien, claim, demand and other encumbrance on the Property which is paid or satisfied, in whole or in part, out of the proceeds of the Indebtedness, and the respective liens, claims, demands and other encumbrances shall be, and each of them is hereby, preserved and shall pass to and be held by Lenders as additional collateral and further security for the Indebtedness, to the same extent they would have been preserved and would have been passed to and held by Lenders had they been duly and legally assigned, transferred, set over and delivered unto Lenders by assignment, notwithstanding the fact that any instrument providing public notice of the same may be satisfied and cancelled of record.

1.11 Transfer of the Property; Secondary Financing.

A. The identity and expertise of Borrower were and continue to be material circumstances upon which Lenders have relied in connection with, and which constitute valuable consideration to Lenders for, extending the Indebtedness to Borrower, and any change in such identity or expertise could materially impair or jeopardize the security for the payment of the Indebtedness. Borrower covenants and agrees with Lenders, as part of the consideration for extending the Indebtedness to Borrower, that without Lenders' prior written consent, Borrower shall not, voluntarily or by operation of law: [i] sell, transfer, convey, pledge, encumber, assign or otherwise hypothecate or dispose of, all or any part of the Property or any interest therein whether or not as collateral security for any other obligation of Borrower; [ii] (if Borrower is a corporation, partnership, trust, or other entity) sell, transfer, encumber or otherwise dispose of voting control or more than fifty percent (50%) of the financial interest in Borrower or change its general partners; nor [iii] cause or permit any junior encumbrance or lien to be placed on the Property or other security for the Indebtedness. Any purported transaction in violation of the foregoing shall be void and shall entitle Lenders to declare the entire Indebtedness immediately due and payable without notice or demand. Such consent may be given or withheld by Lenders in their sole discretion and may be conditioned upon payment to Lenders of a fee for processing the request for consent and other administrative costs incurred in connection therewith, and/or an increase in the rate of interest on the unpaid balance of the Indebtedness to a then current market rate, and/or a change in the term of the Note, and/or other changes in the terms of the Loan Documents, all of which Borrower hereby agrees are reasonable conditions to the approval of any such transfer. In all events, if Lenders consent to any such sale, transfer, conveyance, pledge, encumbrance, assignment, hypothecation or disposition, at

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the option of Lenders the manager of the Property shall remain the same before and after the transfer and the transferee shall be a creditworthy person or entity of sound financial reputation.

B. The consent by Lenders to any sale, transfer, conveyance, pledge, encumbrance, assignment, creation of a security interest in or other hypothecation or disposition of the Property or the beneficial interests of Borrower shall not be deemed to constitute a novation of the Indebtedness or a consent to any further sale, transfer, pledge, encumbrance, creation of a security interest or other hypothecation or disposition, or to waive Lenders' right, at its option, to exercise its remedies for default, without notice to or demand upon Borrower or to any other person or entity upon any such sale, transfer, pledge, encumbrance, creation of a security interest in or other hypothecation, or disposition to which Lenders shall not have consented.

1.12 Limit on Interest. If from any circumstances whatsoever, fulfillment of any provision of this Mortgage, the Note or any other Loan Document, at the time performance of such provision shall be due shall involve transcending the limit on interest presently prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount, then Lenders may, at their option [i] declare the entire Indebtedness secured hereby, including interest and Deferred Interest, if any and all other sums owing, due and payable ninety (90) days following written notice from Lenders, without prepayment premium, [ii] reduce the obligations to be fulfilled to such limit on interest, or [iii] apply the amount that would exceed such limit on interest to the reduction of the outstanding principal balance of the Note, and not to the payment of interest, with the same force and effect as though Borrower had specifically designated such sums to be so applied to principal and Lenders had agreed to accept such extra payment(s) as a premium-free prepayment, so that in no event shall any exaction be possible under the Note or Mortgage, that is in excess of the applicable limit on interest. It is the intention of Borrower and Lenders not to create any obligation in excess of the amount allowable by applicable law. The provisions of this paragraph shall control every other provision of this Mortgage, and any provision of the Loan Documents in conflict with this Paragraph 1.12.

1.13 Performance by Lenders of Defaults by Borrower. Borrower covenants and agrees that, if it shall default in the payment of any tax, lien, assessment, or charge levied or assessed against the Property; in the payment of any utility charge, whether public or private; in the payment of any insurance premium; in the procurement of insurance coverage and the delivery of the insurance policies required hereunder; or in the performance or observance of any other covenant, condition or term of this Mortgage, then Lenders, at their option, but without obligation and without notice, may pay, perform or observe the same, and all payments made

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or costs incurred by Lenders in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Borrower to Lenders with interest thereon, from the date such payment is made or expense is incurred by Lenders to the date Lenders are reimbursed therefor, at the default rate provided in the Note. Lenders shall be the sole judge of the legality, validity and priority of any such tax, lien, assessment, charge, claim and premium, of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. Subject to the rights of Tenants under approved Leases, Lenders are hereby empowered to enter and to authorize others to enter upon the Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term without thereby becoming liable to Borrower or any person in possession of any portion of the Property holding under Borrower. Borrower expressly acknowledges and agrees, however, that notwithstanding anything contained in this Paragraph 1.13 to the contrary, Lenders shall not be obligated under this Paragraph 1.13 to incur any expense or to perform any act whatsoever. Borrower further acknowledges that no performance by Lenders of Borrower's obligations shall cure Borrower's default or release Borrower from those or any other obligations under this Mortgage. Borrower hereby indemnifies Lenders against any and all costs, liabilities or damages, arising from or in any way related to the performance of Borrower's obligations by Lenders.

1.14 Assignment of Leases and Rents.

A. As additional collateral and to further secure the Indebtedness and other obligations of Borrower, Borrower does hereby absolutely, presently and irrevocably assign, grant, transfer, and convey to Lenders, their successors and assigns, all of Borrower's right, title, and interest in, to, and under all leases, subleases, tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts and other contracts, licenses and permits, map approvals and conditional use permits, whether written or oral, now or hereafter affecting all or any part of the Property, and any agreement for the use or occupancy of all or any part of said Property which may have been made heretofore or which may be made hereafter, including any and all extensions, renewals, and modifications of the foregoing and guaranties of the performance or obligations of any tenants thereunder, and all other arrangements of any sort resulting in the payment of money to Borrower or in Borrower becoming entitled to the payment of money for the use of the Property or any part thereof whether such user or occupier is tenant, invitee, or licensee (all of the foregoing hereafter referred to collectively as the "Leases" and individually as a "Lease", and said tenants, invitees, and licensees are hereafter referred to collectively as "Tenants" and individually as "Tenant" as the context requires), which Leases cover all or portions of the Property; together with all of Borrower's right, title, and interest in and to all income,

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rents, issues, royalties, profits, rights and benefits and all Tenants' security and other similar deposits derived with respect to the Leases and with respect to the Property, including, without limitation, all base and minimum rents, percentage rents, additional rents, payments in lieu of rent, expense contributions, and other similar such payments (hereafter collectively referred to as "Income"), and the right to collect the same as they become due, it being the intention of the parties hereto to establish an absolute transfer and assignment of all of the Leases and the Income, and not just to create a security interest.

B. Borrower hereby represents, warrants, and agrees as follows.

[1] Borrower is the sole holder of the landlord's interest under the Leases, is entitled to receive the Income from the Leases and from the Property, and has the full right to sell, assign, transfer, and set over the same and to grant to and confer upon Lenders the rights, interests, powers, and authorities herein granted and conferred;

[2] Borrower has made no pledge or assignment of the Leases or Income prior to the date hereof, and Borrower shall not, after the date hereof, make or permit any such pledge or assignment;

[3] Borrower has neither done any act nor failed to do any act which might prevent Lenders from, or limit Lenders in, acting under any of the provisions of this Mortgage;

[4] The Leases are valid, enforceable, and in full force and effect, and Borrower has delivered to Lenders a true, complete, and correct copy of all Leases with respect to the Property or any part thereof;

[5] All Leases provide for rental to be paid monthly, in advance, and Borrower has not accepted, and shall not, after the date hereof, accept or permit payment of rental or other Income under any of the Leases for more than one (1) month in advance of the due date thereof;

[6] No security deposit has been made by any Tenant under any Lease except as set forth in such Lease;

[7] To the best of Borrower's knowledge, there exists no default or event of default or any state of facts which would or could, with the passage of time or the giving of notice, or both, constitute a default or event of default on the part of Borrower or by any Tenant under the terms of any of the Leases;

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[8] Neither the execution and delivery of this Mortgage or any of the Leases, nor the performance of each and every covenant of Borrower under this Mortgage and the Leases, nor the satisfaction of each and every condition contained in this Mortgage, conflicts with, or constitutes a breach or default under, any agreement, indenture, or other instrument to which Borrower is a party or is subject, or any law, ordinance, administrative regulation, or court decree which is applicable to Borrower;

[9] No action has been brought or, to the best of Borrower's knowledge, is threatened, which would interfere in any way with the right of Borrower to execute this Mortgage and perform all of Borrower's obligations contained in this Mortgage and in the Leases; and

[10] Neither this Mortgage nor the exercise of rights hereunder shall be deemed to make Lenders a mortgagee in possession.

C. Borrower hereby covenants and agrees as follows:

[1] Borrower shall [A] fulfill, perform, and observe each and every material condition and covenant of landlord or lessor contained in each of the Leases; [B] give prompt notice to Lenders of any claim of default under any of the Leases, whether given by a Tenant to Borrower, or given by Borrower to a Tenant, together with a complete copy of any such notice; [C] at no cost or expense to Lenders, enforce, short of termination, the performance and observance of each and every material covenant and condition of the Leases to be performed or observed by the Tenants thereunder; [D] if so requested by Lenders, diligently and in good faith enforce the Leases and all remedies available to Borrower against the Tenants in the event of default under any Lease by any Tenant; [E] if so requested by Lenders, diligently and in good faith appear in and defend any action arising out of, or in any manner connected with, any of the Leases, or the obligations or liabilities of Borrower as the landlord thereunder, or of the Tenant or any guarantors thereunder; and [F] execute such additional documents as Lenders may require to evidence and confirm such Mortgage;

[2] Borrower shall not, without the prior written consent of Lenders, [A] enter into any lease of all or any part of the Property; [B] modify, amend, or alter, or agree to the modification, amendment, or alteration of any of the Leases; [C] terminate the term, accept the surrender of, or otherwise cancel any of the Leases; [D] waive or release any Tenant from the performance or observance by such Tenant of any obligation or condition of any of the Leases; [E] permit the prepayment of any rents under any of the Leases or other

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Income for more than one (1) month prior to the due date thereof; [F] discount any future accruing rents under the Leases or other Income; [G] give any consent to any assignment or sublease by any Tenant under any of the Leases; [H] grant any rental concessions in connection with any of the Leases; or [I] assign its interest in, to, or under the Leases or Income to any person or entity other than Lenders; and any attempt to violate the provisions of this Subparagraph [2] shall be void;

[3] Borrower shall provide Lenders with a fully-executed original counterpart or certified copy of each Lease, amendment, modification or alteration thereto and guaranties thereof;

[4] Borrower shall take no action that will cause or permit the estate of any Tenant under any of the Leases to merge with the interests of Borrower in the Property or any portion thereof;

[5] Borrower shall protect, indemnify, and hold Lenders harmless from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs, and expenses (including, without limitation, attorneys' fees and court costs) imposed upon or incurred by Lenders by reason of this Mortgage or in exercising, performing, enforcing, or protecting its rights, title, or interests set forth herein, and any claim or demand whatsoever which may be asserted against Lenders by reason of any alleged obligation or undertaking to be performed or discharged by Lenders under this Mortgage;

[6] Borrower shall not do, or fail to do, any act if such action or failure would constitute a violation of any of the Leases or guaranty of any Lease, or commit any act or omission that may create in any Tenant a right to cease or reduce payment of rent or terminate its Lease or guaranty of any Lease or otherwise affect or impair the benefits of this Mortgage;

[7] Borrower shall authorize and direct, and does hereby authorize and direct, each and every present and future Tenant of the whole or any part of the Property to pay all rental to Lenders. The rents received by Lenders shall be applied to the monthly debt service on the Note and any amount exceeding the required debt service shall be refunded to Borrower within seven (7) business days of receipt.

[8] Borrower shall require that each Tenant under its Lease or any guarantor of such Lease shall execute an estoppel certificate and attornment agreement with Lenders, in form and content acceptable to Lenders; and

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[9] Borrower shall furnish to Lenders, within ten (10) days after a request by Lenders to do so, a written affidavit sworn to and signed by Borrower setting forth the rent roll information specified in Paragraph 1.16 hereof, and stating whether any defaults, off-sets or defenses exist or are claimed under or in connection with any of said Leases. Any and all Leases affecting the Property shall provide for the giving by the tenants thereunder of certificates with respect to the status of such Leases and Borrower shall exercise Borrower's right to request such certificates within five (5) days of any demand therefor by Lenders.

D. Borrower recognizes and agrees that this Mortgage constitutes an absolute transfer, and present and current assignment, of all Leases and Income and that all Income shall be paid directly to Lenders.

E. Upon payment in full, as determined solely by Lenders, to Lenders in good and sufficient funds satisfactory in all respects to Lenders of all amounts due under each of the Loan Documents and the satisfaction, as determined solely by Lenders, of all terms, covenants, and conditions of each of the Loan Documents, Lenders shall cancel this Mortgage.

F. Borrower acknowledges that this instrument is an absolute transfer and assignment of all Leases and the Income to Lenders. Upon termination, as determined by Lenders, of Borrower's obligations to Lenders as set out in the Loan Documents, Lenders shall relinquish its rights to the Leases and Income and return said rights granted by this instrument to Borrower.

G. Each Lease pertaining to the Property, or any part thereof, shall provide (or if such Lease does not so provide, shall be deemed to provide) that, in the event of the enforcement by Lenders of the remedies provided by law or by this Mortgage, the Tenant thereunder will, upon request of Lenders or any other person or entity succeeding to the interest of Lenders as a result of such enforcement, automatically attorn to and become the tenant of Lenders or said successor in interest, without change in the terms or other provisions of said Lease; provided, however, that [i] neither Lenders nor any such successor in interest shall be bound by [A] any payment of rental, additional rental or other income for more than one (1) month in advance, or [B] any amendment or modification of said Lease, made without the express written consent of Lenders or said successor in interest; [ii] neither Lenders nor such successor in interest will be liable for [A] any act or omission or warranties of any prior landlord (including Borrower), or [B] the breach of any warranties or obligations relating to construction of Improvements on the Property or any Tenant finish work performed or to have been performed by any prior landlord (including Borrower), or [C] the return of any security deposit, and [iii] neither Lenders nor such successor in interest

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shall be subject to any offsets or defenses which the Tenant might have against any prior landlord (including Borrower). Each Lease pertaining to the Property shall also provide (or if such Lease does not so provide, shall be deemed to provide) that, upon request by said successor in interest, the Tenant thereunder shall deliver an instrument confirming such attornment, and that such Tenant shall give Lenders notice of any claim of Borrower's default and a reasonable opportunity to cure such default.

H. Notwithstanding any other provisions of this Mortgage, Borrower shall not hereafter enter into any Lease without the prior written consent of Lenders, which consent may be granted or withheld in Lenders' sole discretion, and even if Lenders' consent is obtained, only upon the following conditions: [i] each such Lease shall contain a provision that the rights of the parties thereunder are expressly subordinate to all of the rights and title of Lenders under this Mortgage; [ii] each such Lease shall contain a provision whereby the parties thereunder expressly recognize and agree that, notwithstanding such subordination, Lenders may sell the Property in the manner provided herein, and thereby, at the option of Lenders, sell the same subject to such Lease; and [iii] at or prior to the time of execution of any such Lease, Borrower shall, as a condition to such execution, procure from the other party or parties thereto an agreement in favor of Lenders, in form and substance satisfactory to Lenders, under which such party or parties agree to be bound by the provisions hereof, regarding the manner in which Lenders may foreclose under this Mortgage. At Lenders' option any Lease may be required to be made superior to Lenders' lien under this Mortgage.

1.15 Estoppel Affidavits. Borrower, upon ten (10) days' prior written notice, shall furnish Lenders a written affidavit, sworn to and signed by Borrower, setting forth [i] the unpaid principal of, and interest on, the Indebtedness, [ii] whether or not any off-sets or defenses exist against such principal and interest, [iii] whether or not any "default" or "event of default" (or any fact or circumstance that, with lapse of time or notice, or both, would constitute a "default" or "event of default") exists under any of the Loan Documents, and [iv] the then state of facts relative to the condition of the Property.

1.16 Books, Records, Accounts and Monthly Reports. Borrower shall keep and maintain, or shall cause to be kept and maintained, at Borrower's cost and expense, proper and accurate books, records and accounts reflecting all items of income and expense in connection with the operation of the Property and in connection with any services, equipment, or furnishings provided in connection with the operation of the Property. Lenders and Lenders' agents, accountants and attorneys shall have the right from time to time at all times during normal business hours to examine such books, records and accounts at the office of Borrower or such other person or entity maintaining such books, records or accounts and to make

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copies or extracts thereof as Lenders shall desire and to discuss Borrower's affairs, finances and accounts with Borrower and with the officers and principals of Borrower, at such reasonable times as may be requested by Lenders. Borrower shall furnish to Lenders annually within ninety (90) days after the end of Borrower's fiscal year, at Borrower's expense, a statement of the operation of the Property for such fiscal year showing in detail all revenues derived from rents, profits and all other sources, and all expenses and disbursements made in connection with the Property, annual comparative balance sheets, profit and loss statements, and all supporting schedules covering the operation of the Property, together with a rent roll for the Property containing, at a minimum, the names of all tenants and guarantors of any Leases, the rentable square footage of each leased space, a schedule of past-due rents, dates of occupancy, terms of the Leases, base rents and base rents per rentable square foot, additional rent, rental concessions, security deposits, lease commissions outstanding, and renewal options under the Leases. All the foregoing statements shall be certified by Borrower's principal financial or accounting officer. In the event it deems necessary from and after any uncured default, Lenders may require that any such statements shall be audited and/or prepared and certified by an independent certified public accountant selected or approved by Lenders. All of the foregoing financial statements shall fairly and accurately present the financial condition of the subject thereof as of the dates thereof and shall be certified by Borrower's principal financial or accounting officer. In the event that Borrower shall refuse or fail to furnish any statement as aforescribed, or in the event such statement shall be inaccurate or false, or in the event of failure of Borrower to permit Lenders or their representatives to inspect the Property or the said books and records, such acts of Borrower shall be a default hereunder and Lenders may proceed in accordance with the rights and remedies afforded it under the provisions hereof.

1.17 Hazardous Materials.

A. Borrower represents and warrants that no Hazardous Materials exist on, under or about the Property or, to the best of Borrower's knowledge after diligent inquiry, have been transported to or from the Property or used, generated, manufactured, stored or disposed of on, under or about the Property, and the Property is not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or the environmental conditions on, under or about the Property, including, without limitation, soil and groundwater conditions. Hazardous Materials shall include: [i] oil, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials or pollutants which pose a hazard to the Property or to persons on or about the Property, cause the Property to be in violation of any local, state or federal law or regulation, or are defined as or included in the

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definition of "hazardous substances", "hazardous wastes", "hazardous materials", "toxic substances", "contaminants", "pollution", or words of similar import under any applicable local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto, including, but not limited to: [A] the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.; [B] the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq.; [C] the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901, et seq.; and [D] regulations adopted and publications promulgated pursuant to the aforesaid laws; [ii] asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per million; [iii] underground storage tanks; and [iv] any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of property adjacent to or surrounding the Property. As used in this Mortgage, the term "Hazardous Materials law" shall include laws, rules, regulations, statutes, and requirements pertaining or relating to Hazardous Materials.

B. Borrower shall, at its sole cost and expense, prevent the imposition of any lien against the Property for the cleanup of any Hazardous Material and shall comply and cause [i] all Tenants under any Lease or occupancy agreement affecting any portion of the Property, and [ii] any other person or entity on or occupying the Property, to comply with all federal, state and local laws, regulations, rules, ordinances and policies concerning the environment, health and safety and relating to the presence, generation, use, handling, transport, production, disposal, discharge or storage of Hazardous Materials in, on or about the Property. Without limiting the generality of the foregoing, Borrower represents, covenants and agrees that the Property does not and will not contain any Hazardous Materials. Borrower hereby grants to Lenders, their agents, employees, consultants and contractors an irrevocable license to enter upon the Property and to perform such tests on the Property as are reasonably necessary in Lenders' sole discretion to conduct an investigation and/or review.

C. Borrower shall promptly take any and all necessary remedial action in response to the presence, storage, use, disposal, transportation or discharge of any Hazardous Materials on, under or about the Property; provided, however that Borrower shall not, without Lenders' prior written consent, take any remedial action in response to the presence, generation, use, handling, transport, production, disposal, discharge or storage of any Hazardous Materials on, under, or about the Property, nor enter

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into any settlement agreement, consent decree, or other compromise in respect to any claims, proceedings, lawsuits or actions, completed or threatened pursuant to any Hazardous Materials laws or in connection with any third party, if such remedial action, settlement, consent or compromise might, in Lenders' sole determination, impair the value of Lenders' security hereunder; Lenders' prior consent shall not, however, be necessary in the event that the presence, generation, use, handling, transport, production, disposal, discharge or storage of Hazardous Materials on, under, or about the Property either [i] poses an immediate threat to the health, safety or welfare of any individual, or [ii] is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Lenders' consent prior to undertaking such action. In the event Borrower undertakes any remedial action with respect to any Hazardous Materials on, under or about the Property, Borrower shall immediately notify Lenders of any such remedial action, and shall conduct and complete such remedial action [A] in compliance with all applicable federal, state and local laws, regulations, rules, ordinances and policies, [B] to the satisfaction of Lenders, and [C] in accordance with the orders and directives of all federal, state and local governmental authorities.

D. Borrower shall protect, defend, indemnify and hold Lenders, their parent corporation, subsidiaries and affiliates and each of their directors, officers, employees and agents, and any successors to Lenders' interest in the Property, and any other person or entity who acquires any portion of the Property at a foreclosure sale, by the receipt of a deed in lieu of foreclosure, or otherwise through the exercise of Lenders' rights and remedies under the Loan Documents, and any successors to any such other person or entity, and all directors, officers, employees and agents of all of the aforementioned indemnified parties, harmless from and against any and all claims, proceedings, lawsuits, liabilities, damages, losses, fines, penalties, judgments, awards, costs and expenses (including, without limitation, attorneys' fees and costs and expenses of investigation) which arise out of or relate in any way to any presence, generation, use, handling, transport, production, disposal, discharge or storage of any Hazardous Materials in, on or about the Property whether by Borrower or any Tenant or any other person or entity, including, without limitation: [i] all foreseeable and all unforeseeable consequential damages directly or indirectly arising out of [A] the presence, generation, use, handling, transport, production, disposal, discharge or storage of Hazardous Materials by Borrower, any prior owner or operator of the Property, or any person or entity on or about the Property, or [B] any residual contamination affecting any natural resource or the environment, and [ii] the costs of any required or necessary repair, cleanup, or detoxification of the Property and the preparation of any closure or other required plans (all such claims, proceedings, lawsuits, liabilities, losses, fines, penalties, costs, damages, and expenses referred to in this

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Paragraph 1.17D hereafter referred to as "Expenses"). The foregoing indemnification obligations of Borrower shall survive satisfaction of the Mortgage, and any foreclosure hereunder or a deed in lieu of foreclosure. In addition, Borrower agrees that in the event any Hazardous Material is caused to be removed from the Property by Borrower, Lenders, or any other person or entity, the number assigned by the Environmental Protection Agency to such Hazardous Material shall be solely in the name of Borrower and Borrower shall assume any and all liability for such removed Hazardous Material. In the event Lenders pay any Expenses, such Expenses shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the default rate specified in the Note.

E. In the event that Borrower shall fail to timely comply with the provisions of this Paragraph 1.17, Lenders may, but shall not be obligated to, either [i] declare that an event of default shall have occurred, and/or [ii] in addition to any rights granted to Lenders hereunder, do or cause to be done whatever is necessary to cause the Property to comply with the applicable law, rule, regulation or order, and the cost thereof shall be additional Indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the default rate specified in the Note. Borrower shall give Lenders and their agents and employees access to the Property for the purpose of effecting such compliance and hereby specifically grants to Lenders an irrevocable license, effective immediately if, in the opinion of Lenders, irreparable harm to the environment, the Property, or persons or material amounts of property is imminent, or otherwise, upon expiration of the applicable cure period, to do whatever necessary to cause the Property to so comply, including, without limitation, to enter the Property and remove therefrom any Hazardous Materials. Borrower shall pay or reimburse Lenders for any and all loss, cost, damage and expense (including, without limitation, attorneys' fees and costs incurred in the investigation, defense and settlement of claims) that Lenders may incur as a result of or in connection with the assertion against Lenders of any claims relating to the presence or removal of any Hazardous Material, or compliance with any federal, state or local laws, rules, regulations or orders relating thereto, and the amount(s) thereof shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the default rate specified in the Note.

1.18 ERISA. Notwithstanding any other provision in this Mortgage to the contrary, under no circumstances shall Borrower transfer any interest in the Property, directly or indirectly, to an employee benefit plan covered under Title I, Part 4 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Internal Revenue Code of 1986, as amended ("IRC"), unless, prior to any such transaction, Lenders obtains written representations from the employee benefit plan and

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Borrower, satisfactory to Lenders, that the employee benefit plan has an exemption from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the IRC which would apply to this loan if Lenders are a "party in interest" or a "disqualified person" either at the time of such transaction or if Lenders should become a "party in interest" or a "disqualified person" anytime thereafter during the term of this loan.

ARTICLE 2

2.1 Events of Default.

The terms "Default," "default," "Event of Default" or "event of default," wherever used in this Mortgage, shall mean any one or more of the following events:

[1] Failure by Borrower to pay any installment of principal or interest under the Note or other indebtedness secured by this Mortgage, or any other sum that may be due and payable under any of the Loan Documents, within ten (10) days from the date of written notice by Lenders;

[2] Any transfer under Paragraph 1.11 to which Lenders shall not have first consented in writing;

[3] An event shall occur which under the specific terms of Paragraph 1.5 shall give the Lenders the option to accelerate the maturity of the Indebtedness;

[4] Failure by Borrower duly to observe or perform any other term, covenant, condition or agreement of this Mortgage within thirty (30) days after written notice of such failure; provided, however, if such failure cannot be cured within such thirty (30) day period, then failure by Borrower to commence the curing thereof within such thirty (30) day period and diligently to prosecute such curing to completion within a reasonable time thereafter;

[5] The fact that any representation or warranty of Borrower contained in this Mortgage or in any other Loan Document proves to be untrue or misleading in any respect as of the time made or as of any subsequent time prior to the satisfaction in full of all of the Indebtedness;

[6] The occurrence of any Default, default, event of default or Event of Default under any of the other Loan Documents;

[7] The filing of any federal tax lien against the Property, subject to the right to contest set forth in Exhibit D to this Mortgage.

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[8] The filing by Borrower, any principal of Borrower, or any endorser or guarantor of the Note, of a voluntary petition in bankruptcy pursuant to any federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors (hereafter referred to collectively as "Bankruptcy Law") or the issuing of an order for relief against Borrower, any principal of Borrower, or any endorser or guarantor of the Note under any such Bankruptcy Law, or the filing by Borrower, any principal of Borrower, or any endorser or guarantor of the Note of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief for itself under any present or future Bankruptcy Law;

[9] Borrower's or any of its principal's, Lenders' or any of its principal's, or any such endorser's or guarantor's seeking or consenting to or acquiescing in the appointment of any trustee, custodian, receiver, or liquidator of Borrower, a principal, any such endorser or guarantor, or of all or any substantial part of the Property or of any or all of the income, rents, revenues, issues, earnings, profits or income thereof or of any other property or assets of Borrower, any principal of Borrower, or endorser or guarantor; or the making by Borrower, or endorser or guarantor of any general assignment for the benefit of creditors, or the admission in writing by Borrower, or endorser or guarantor of its inability to pay its debts generally as they become due, or the commission by Borrower, or endorser or guarantor of any act providing grounds for the entry of an order for relief under any Bankruptcy Law;

[10] Failure to cause the dismissal of any involuntary petition in bankruptcy brought against Borrower, any principal of Borrower, Lenders, any principal of Lenders, or any endorser or guarantor of the Note within sixty (60) calendar days after the same is filed but in any event prior to the entry of an order, judgment, or decree approving such petition;

[11] The Property is subjected to waste, or all or any part thereof is removed, demolished, or altered without the prior written consent of Lenders;

[12] Borrower, any principal of Borrower, or any endorser or guarantor of the Note (if a corporation) is liquidated or dissolved or its charter expires or is revoked, or Borrower, or such endorser or guarantor (if a partnership or business association) is dissolved or partitioned, or Borrower, or such endorser or guarantor (if a trust) is terminated or expires;

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[13] Subject to the right to contest set forth in Exhibit D to this Mortgage, the filing by any person or entity of any claim in any legal or equitable proceeding challenging the first priority lien of this Mortgage, subject only to the Permitted Exceptions;

[14] Without the prior written consent of Lenders, Borrower enters into, or terminates or cancels any agreement pertaining to management of the Property; amends or modifies any such management agreement, or consents to any such amendment or modification, without Lenders' prior written consent, such consent not to be unreasonably withheld; or consents to any termination, cancellation, amendment or modification of any such management agreement;

[15] Default by Borrower under any other loan secured by a lien on any portion of the Property and the expiration of any applicable notice and/or cure period; or

[16] The filing of any action under any federal or state law, which permits forfeiture of Borrower's interest in the Property, including but not limited to, any indictment under the Racketeer Influence and Corrupt Organization Act of 1970 (RICO).

2.2 Acceleration of Maturity. If an Event of Default shall have occurred and shall remain uncured following an applicable period of grace, then the entire Indebtedness shall, at the option of Lenders, become immediately due and payable without notice or demand, which are hereby expressly waived, time being of the essence of this Mortgage; and no omission on the part of Lenders to exercise such option when entitled to do so shall be construed as a waiver of such right.

2.3 Lenders' Right to Enter and Take Possession, Operate and Apply Revenues.

A. If an Event of Default shall have occurred and shall remain uncured following an applicable period of grace, Borrower upon demand of Lenders, shall forthwith surrender to Lenders the actual possession of the Property and if, and to the extent, permitted by law, Lenders themselves, or by such officers or agents as it may appoint, may enter and take possession of all the Property without the appointment of a receiver, or an application therefor, and may exclude Borrower and its respective agents and employees wholly therefrom, and may have joint access with Borrower to the books, papers and accounts of Borrower.

B. If Borrower shall for any reason fail to surrender or deliver the Property or any part thereof after such demand by Lenders, Lenders may obtain a judgment or decree conferring upon Lenders the right to immediate possession or requiring Borrower to

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deliver immediate possession of the Property to Lenders, to the entry of which judgment or decree Borrower hereby specifically consents. Borrower will pay to Lenders, upon demand, all expenses of obtaining such judgment or decree, including reasonable compensation to Lenders, their attorneys and agents; and all such expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

C. Upon every such entering upon or taking of possession, Lenders may hold, store, use, operate, manage and control the Property and conduct the business thereof and, from time to time [i] make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property; [ii] insure or keep the Property insured; [iii] manage and operate the Property and exercise all the rights and powers of Borrower to the same extent as Borrower could in its own name or otherwise with respect to the same; [iv] enter into any and all agreements with respect to the exercise by others of any of the powers herein granted Lenders, all as Lenders from time to time may determine to be in their best interest; and [v] perform all acts required of Borrower as lessor under any lease of all or any part of the Property, all as Lenders may from time to time determine to be to their best advantage. Lenders may collect and receive all the income, rents, issues, profits and revenues from the Property, including those past due as well as those accruing thereafter, and, after deducting [A] all expenses of taking, holding, managing and operating the Property (including compensation for the services of all persons employed for such purposes); [B] the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, purchases and acquisitions; [C] the cost of such insurance; [D] such taxes, assessments and other similar charges as Lenders may at their option pay; [E] other proper charges upon the Property or any part thereof; and [F] the compensation, expenses and disbursements of the attorneys and agents of Lenders, Lenders shall apply the remainder of the moneys and proceeds so received by Lenders to the payment of principal and interest in whatever order or priority Lenders may elect. Anything in this Paragraph 2.3 to the contrary notwithstanding, Lenders shall not be obligated to discharge or perform the duties of a landlord to any tenant or incur any liability as the result of any exercise by Lenders of their rights under this Mortgage, and Lenders shall be liable to account only for the rents, incomes, issues, profits, and revenues actually received by Lenders.

D. For the purpose of carrying out the provisions of this Paragraph 2.3, Borrower hereby irrevocably constitutes and appoints Lenders the true and lawful attorney-in-fact of Borrower to do and perform, from time to time, any and all actions necessary and incidental to such purpose, and Borrower does, by these

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presents, ratify and confirm any and all actions of said attorney-in-fact.

E. In the event that all such interest, deposits and principal installments and other sums due under any of the terms, covenants, conditions and agreements of this Mortgage, shall have been paid and all Events of Default cured and satisfied, and as a result thereof, Lenders surrender possession of the Property to Borrower, the same right of taking possession shall exist if any subsequent Event of Default shall occur.

2.4 Receiver. If an Event of Default shall have occurred, Lenders, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right without notice and without regard to the sufficiency or value of any security for the Indebtedness or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Property and to collect and apply the income, rents, issues, profits, and revenues thereof. The receiver shall have all of the rights and powers permitted under the laws of the state within which the Land is located. Borrower shall pay to Lenders upon demand all expenses, including receiver's fees, attorneys' fees, costs, and agent's compensation, incurred pursuant to the provisions of this Paragraph 2.4; and all such expenses shall be secured by this Mortgage.

2.5 Enforcement.

A. If a Default shall have occurred and remains uncured following an applicable period of grace, Lenders, at their option, may institute legal proceedings for the foreclosure of this Mortgage.

B. Lenders may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession and without instituting any legal proceedings whatsoever and having first given notice of such sale by certified mail to Borrower once at least 10 days prior to the date of such sale (which notice shall give the details of such proposed sale, including, without limitation, the time, place and manner of sale), and any other notice which may be required by law, sell and dispose of the Property or any part thereof at public auction or private sale to the highest bidder, which may be Borrower, in one lot as an entirety or in separate lots (Borrower for itself and for all who may claim by, through or under it hereby expressly waiving and releasing all rights to have the property covered by the lien of this Mortgage and the Absolute Assignment of Leases and Rents marshalled), and either for cash or on credit and on such terms as Lenders may determine and at any place (whether or not it be the location of the Property or any part thereof) designated in the notice above referred to. Any such sale or sales

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may be adjourned from time to time by announcement at the time and place appointed for such sale or sales or for any such adjourned sale or sales, without further published notice.

C. Lenders shall have the right from time to time to enforce any legal or equitable remedy against Borrower, including, without limitation, suing for any sums, whether interest, principal or any installment of either or both, taxes, penalties or any other sums required to be paid under the terms of this Mortgage, as the same become due, without regard to whether or not all of the Indebtedness shall then be due, and without prejudice to the right of Lenders thereafter to enforce any other remedy, including, without limitation, an action of foreclosure, whether or not such other remedy be based upon a Default which existed at the time of commencement of an earlier or pending action, and whether or not such other remedy be based upon the same Default upon which an earlier or pending action is based.

2.6 Purchase by Lenders. Upon any foreclosure sale, Lenders may bid for and purchase the Property and shall be entitled to apply all or any part of the Indebtedness as a credit to the purchase price.

2.7 Application of Proceeds of Sale. In the event of a foreclosure sale of all or any portion of the Property, the proceeds of said sale shall be applied, in whatever order Lenders in their sole discretion may decide, to the expenses of such sale and of all proceedings in connection therewith, including attorneys' fees, to insurance premiums, liens, assessments, taxes and charges, including utility charges, advanced by Lenders, to payment of the outstanding principal balance of the Indebtedness, together with any prepayment premiums, fees or charges herein or in the Note provided, or to the accrued interest on all of the foregoing, and finally the remainder, if any, shall be paid to Borrower.

2.8 Borrower as Tenant Holding Over. In the event of any such foreclosure sale by Lenders, Borrower shall be deemed a tenant holding over and shall forthwith deliver possession to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable to tenants holding over.

2.9 Leases. Lenders, at their option, is authorized to foreclose this Mortgage subject to the rights of any tenants of the Property, and the failure to make any such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Borrower, a defense to any proceedings instituted by Lenders to collect the Indebtedness.

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2.10 Discontinuance of Proceedings. In case Lenders shall have proceeded to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceeding shall have been withdrawn, discontinued or abandoned for any reason, or shall have been determined adversely to Lenders, then in every such case [i] Borrower and Lenders shall be restored to their former positions and rights, [ii] all rights, powers and remedies of Lenders shall continue as if no such proceeding had been taken, [iii] each and every Default declared or occurring prior or subsequent to such withdrawal, discontinuance or abandonment shall be deemed to be a continuing Default, and [iv] neither this Mortgage, nor the Note, nor the Indebtedness, nor any other of the Loan Documents shall be or shall be deemed to have been released or otherwise affected by such withdrawal, discontinuance or abandonment; and Borrower hereby expressly waives the benefit of any statute or rule of law now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the above.

2.11 No Reinstatement.

A. To the extent permitted by applicable law, if a Default under Paragraph 2.1[1] shall have occurred and Lenders shall have proceeded to enforce any right, power or remedy permitted hereunder, then a tender of payment by Borrower or by anyone on behalf of Borrower of the amount necessary to satisfy all sums due hereunder made at any time prior to foreclosure, or the acceptance by Lenders of any such payment so tendered, shall not constitute a reinstatement of the Note or this Mortgage.

B. Borrower acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law, which is referred to elsewhere in this Mortgage as the "Act") or residential real estate (as defined in Section 15-1219 of the Act), and to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under Section 15-1601(b) of the Act, and to the full extent permitted by law, the benefits of all present and future valuations, appraisements, homestead, exemption, stay, redemption, and moratorium laws under any state or federal law.

2.12 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Lenders by this Mortgage or any other Loan Document is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

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2.13 Suits to Protect the Property. Lenders shall have the power [i] to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Property by any acts which may be unlawful or in violation of this Mortgage, [ii] to preserve or protect its interest in the Property and in the income, rents, issues, profits and revenues arising therefrom, and [iii] to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of Lenders.

2.14 Lenders May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Borrower, its creditors or its property, Lenders, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lenders allowed in such proceedings for the entire amount of the Indebtedness at the date of the institution of such proceedings and for any additional amount of the Indebtedness after such date.

2.15 Marshalling. At any foreclosure sale, the Property may, at Lenders' option, be offered for sale for one total price, and the proceeds of such sale accounted for in one account without distinction between the items of security or without assigning to them any proportion of such proceeds, Borrower hereby waiving the application of any doctrine of marshalling; and in the event Lenders, at their option, elects to sell the Property in parts or parcels, said sales may be held from time to time; and this Mortgage shall not terminate until all of the Property not previously sold shall have been sold.

2.16 Security Deposits. If Borrower shall obtain from a tenant or subtenant of the Property, or a part thereof, a deposit to secure such tenant's or subtenant's obligations, such funds, following any default under this Mortgage, shall be deposited with Lenders in an account maintained by Lenders in their name; but any such deposit shall be returned to Borrower when required, by the terms of any such lease, sublease or occupancy agreement, to be paid over to the tenant or subtenant; and Borrower represents that the provisions of any applicable laws relating to security deposits have been satisfied with respect to each existing tenant, subtenant or occupant of the Property and agrees that they will be satisfied with respect to each new tenant, subtenant, or occupant of the Property; and Borrower will furnish details of such satisfaction from time to time upon the request of Lenders in such detail as Lenders may require.

2.17 Waiver of Appraisal, Valuation, Etc. Borrower agrees, to the full extent permitted by law, that in case of a

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Default on the part of Borrower hereunder, neither Borrower nor anyone claiming through or under Borrower will set up, claim or seek to take advantage of any moratorium, reinstatement, forbearance, appraisal, valuation, stay, extension, homestead right, entitlement or exemption, or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Property or the delivery of possession thereof immediately after such sale to the purchaser at such sale, and Borrower, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets subject to the security interest of this Mortgage marshalled upon any foreclosure.

2.18 Waiver of Homestead. Borrower hereby waives and renounces all homestead right, entitlement, and exemption provided for by the Constitution and the laws of the United States of America and of any state, in and to the Property as against the collection of the Indebtedness, or any part hereof.

2.19 Compliance with Illinois Mortgage Foreclosure Law.

A. In the event that any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

B. If any provision of this Mortgage shall grant to Lenders any rights or remedies upon default of Borrower which are more limited than the rights that would otherwise be vested in Lenders under the Act in the absence of said provision, Lenders shall be vested with the rights granted in the Act to the full extent permitted by law.

C. Without limiting the generality of the foregoing, all expenses incurred by Lenders to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree of judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the Indebtedness or to the judgment of foreclosure.

2.20 Maximum Amount Secured. The maximum aggregate amount of principal, interest, premium, if any, future advances or other indebtedness (now owed or hereafter owed) secured by this Mortgage is \$50,000,000.00.

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ARTICLE 3

3.1 Successors and Assigns. Subject to Paragraph 1.11A hereof, this Mortgage shall inure to the benefit of and be binding upon Borrower and Lenders and their respective legal representatives, successors, and assigns. Whenever a reference is made in this Mortgage to Borrower or Lenders, such reference shall be deemed to include a reference to the heirs, devisees, legal representatives, successors, and assigns of Borrower or Lenders, whether so expressed or not.

3.2 Terminology. All personal pronouns used in this Mortgage whether used in the masculine, feminine, or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of Articles are for convenience only and neither limit nor amplify the provisions of this Mortgage itself and all references herein to Articles, Paragraphs, or Subparagraphs shall refer to the corresponding Articles, Paragraphs, or Subparagraphs of this Mortgage.

3.3 Severability. If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

3.4 Applicable Law. This Mortgage shall be interpreted, construed and enforced according to the laws of the state in which the Land is located.

3.5 Notices, Demands, and Requests. All notices, demands or requests provided for or permitted to be given pursuant to this Mortgage shall be in writing and shall be delivered in person or sent by registered or certified United States mail, postage prepaid, return receipt requested, or by overnight courier, to the addresses set out below or to such other addresses as are specified by no less than ten (10) days' prior written notice delivered in accordance herewith:

If to Lenders:

Providian Life And Health Insurance
Company and Peoples Security Life
Insurance Company
c/o Providian Capital Management
Real Estate Services Inc.
Asset Management Department, 12th Floor
P.O. Box 32830
Louisville, Kentucky 40232

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If to Borrower: Clark Street L.L.C.
c/o Mr. Mitchell Saywitz
HSS Real Estate, Inc.
35 W. Wacker Drive, Suite 3240
Chicago, Illinois 60601

All such notices, demands and requests shall be deemed effectively given and delivered three (3) days after the postmark date of mailing, the day after delivery to the overnight courier or, if delivered personally, when received. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given in accordance with the time period provided herein, shall be deemed to be receipt of the notice, demand, or request sent.

3.6 Consents and Approvals. All approvals and consents hereunder shall be in writing and no approval or consent shall be deemed to have been given hereunder unless evidenced in a writing signed by the party from whom the approval or consent is sought.

3.7 Waiver.

A. No delay or omission of Lenders or of any holder of the Note to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Mortgage to Lenders may be exercised from time to time and as often as may be deemed expedient by Lenders. No consent or waiver, express or implied, by Lenders to or of any breach or default by Borrower in the performance of the obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of Borrower hereunder. Failure on the part of Lenders to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Lenders of their rights hereunder or impair any rights, powers or remedies consequent on any breach or default by Borrower.

B. If Lenders [i] grants forbearance or an extension of time for the payment of any sums secured hereby; [ii] takes other or additional security for the payment of any sums secured hereby; [iii] waives or does not exercise any right granted herein or in the Note; [iv] releases any part of the Property from the lien of this Mortgage or otherwise changes any of the terms, covenants, conditions or agreements of the Note or this Mortgage; [v] consents to the filing of any map, plat or replat affecting the Property; or [vi] makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under the Note,

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this Mortgage or any other obligation of Borrower or any subsequent purchaser of the Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor; nor shall any such act or omission preclude Lenders from exercising any right, power or privilege herein granted or intended to be granted in the event of any default then made or of any subsequent default. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Property, Lenders, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Property or the Indebtedness, or with reference to any of the terms, covenants, conditions or agreements hereof as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings of Borrower. In no event, however shall the provisions of this Paragraph 3.7 be construed in derogation of Paragraph 1.11 hereof.

3.8 Replacement of Note. Upon receipt of evidence reasonably satisfactory to Borrower of the loss, theft, destruction or mutilation of the Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory to Borrower or, in the case of any such mutilation, upon surrender and cancellation of the Note, Borrower will execute and deliver, in lieu thereof, a replacement Note, identical in form and substance to the Note and dated as of the date of the Note and upon such execution and delivery all references in this Mortgage to the Note shall be deemed to refer to such replacement Note.

3.9 Assignment. This Mortgage is assignable by Lenders, and any assignment hereof by Lenders shall operate to vest in the assignee all rights and powers herein conferred upon and granted to Lenders.

3.10 Time of the Essence. TIME IS OF THE ESSENCE with respect to each and every covenant, agreement, and obligation of Borrower under this Mortgage, the Note and any and all other Loan Documents.

3.11 Attorneys' Fees. The meaning of the terms "legal fees" or "attorneys' fees" or any other reference to the fees of attorneys or counsel, wherever used in this Mortgage, shall be deemed to include, without limitation, all legal fees relating to litigation or appeals at any and all levels of courts and administrative tribunals.

3.12 Covenants Run With the Land. All of the grants, covenants, terms, provisions and conditions herein contained shall run with the land and shall apply to, bind and inure to the benefit of, the successors and assigns of Borrower and Lenders.

3.13 Further Stipulations. The covenants, agreements, and provisions, if any, set forth in Exhibit C attached hereto are

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hereby made a part of this Mortgage. In the event of any conflict between such further stipulations and any of the printed provisions of this Mortgage, such further stipulations shall be deemed to control.

3.14 Further Assurances. Borrower shall execute and deliver such further instruments and perform such further acts as may be reasonably requested by Lenders from time to time to confirm the provisions of this Mortgage, the Note or any other Loan Document, to carry out more effectively the purpose of this Mortgage or the other instruments securing the Note, or to confirm the priority of the lien created by this Mortgage on any property, rights or interests encumbered or intended to be encumbered by the lien of this Mortgage or the documents securing the Note.

ARTICLE 4

4.1 LIMITED EXCULPATION. Except as hereinafter provided and subject to the provisions of any guaranties of the indebtedness created or arising under any of the Loan Documents, in any action or proceeding brought to enforce the obligation of Borrower to pay any indebtedness or obligation evidenced by, created or arising under the Note or any of the other Loan Documents, or to exercise any right of foreclosure or power of sale contained in the Loan Documents of the liens, security titles, estates, assignments, rights and security interests now or at any time hereafter securing any indebtedness or obligation pursuant to the Loan Documents, the judgment or decree shall be enforceable against Borrower only to the extent of the interest of Borrower in the Property, and any such judgment shall not be subject to the execution on, nor be a lien on, any assets of Borrower other than its interest in the Property, it being specifically understood and agreed that Borrower shall have no personal liability hereunder for the payment of the Note, and Holder shall look only to the Property and any guaranties of the Note for the payment of the indebtedness and obligations evidenced by, created or arising under the Note and the other Loan Documents; PROVIDED, HOWEVER that, notwithstanding the foregoing provisions of this paragraph, Borrower shall be fully and personally liable at all times for [a] any and all costs, expenses, and liability, including attorneys' fees, incurred by Holder arising from or relating to the clean-up of toxic or Hazardous Materials or waste products (as the same are defined in the Mortgage); [b] repayment of the entire unpaid balance of the indebtedness evidenced by the Note in the event of fraud or material misrepresentation; [c] the entire amount of rent due under any tenant lease that is terminated by Borrower without the Holder's consent; and [d] the misapplication of [i] proceeds paid under any insurance policies by reason of damage, loss or destruction to all or any portion of the Property encumbered by the Loan Documents, to the full extent of such proceeds, [ii] proceeds or awards resulting from the condemnation or other taking in lieu of condemnation of all or any portion of the Property, to the full extent of such proceeds or awards, and

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[iii] from and after default, income, security deposits, rents, issues, profits, and revenues arising or issuing from or out of all or any part of the Property. Nothing contained in this paragraph shall [x] be deemed to be a release or impairment of the indebtedness evidenced by, created or arising under the Note or the other Loan Documents or be deemed to be a release or impairment of the lien of the Loan Documents upon the Property, [y] preclude Holder in the case of any default from foreclosing the Loan Documents or exercising any power of sale contained in the Loan Documents, or except as expressly limited in this paragraph, from enforcing any of the other rights of Holder, or [z] preclude Holder from enforcing its rights under any guaranties of the indebtedness, pursuant to the terms of such guaranties. The Borrower's liability pursuant to clauses [a] through [d] above shall survive foreclosure of the Mortgage, any sale under any power of sale in the Loan Documents, the acceptance of a deed in lieu of foreclosure thereof, and the exercise by Holder of any of its other rights and remedies under the Loan Documents.

IN WITNESS WHEREOF, Borrower has executed, sealed and delivered this Mortgage the day, month, and year first above written.

BORROWER:

CLARK STREET L.L.C.,
an Illinois limited liability company

By: Mitchell Saywitz
Mitchell Saywitz

Title: Managing Member

STATE OF ILLINOIS

COUNTY OF COOK

On this December 27, 1995, before me, Peter A. Hess, the undersigned officer, personally appeared Mitchell Saywitz, who acknowledged that he is the Managing Member of Clark Street L.L.C., an Illinois limited liability company, and that he, as such Managing Member, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as Managing Member.

Peter A. Hess
Notary Public

My commission expires: 3/6/97

(SEAL)

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My Commission Expires 3/6/97
Notary Public, State of Illinois
Peter A. Hess
"OFFICIAL SEAL"

"OFFICIAL SEAL"
Peter A. Hess
Notary Public Illinois
My Commission Expires 3/6/97

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EXHIBIT A

MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

LEGAL DESCRIPTION

LOTS 1 AND 2 IN BLOCK 1 IN GEHRKE AND BRAUCKMANN'S SUBDIVISION OF BLOCK 1 (EXCEPT THE 4.28 ACRES IN THE NORTH PART OF SAID BLOCK WHICH LIES WEST OF GREEN BAY ROAD) IN CANAL TRUSTEE'S SUBDIVISION OF THE EAST HALF OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS; TOGETHER WITH THESE PARTS OF LOTS 3, 4, 5 AND 6 IN THE RESUBDIVISION OF LOT 3 IN BLOCK 1 IN GEHRKE AND BRAUCKMANN'S SUBDIVISION OF OUTLOT NUMBER 1 OF CANAL TRUSTEE'S SUBDIVISION OF THE EAST HALF OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THE NORTH 4.28 ACRES OF THAT PART OF SAID OUTLOT WHICH LIES WEST OF GREEN BAY ROAD) LYING SOUTH OF A LINE DRAWN PARALLEL WITH, AND 26.00 FEET NORTH FROM, THE SOUTH LINE (AND SAID SOUTH LINE EXTENDED WEST) OF SAID RESUBDIVISION OF LOT 3; IN COOK COUNTY, ILLINOIS.

P.I.N Nos. 14-29-205-004, 006, 008, 009, 011, 012, 013 and 014

Address: 3131 N. Clark Street, Chicago, Illinois 60657

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EXHIBIT B

MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

PERMITTED EXCEPTIONS

1. The lien of ad valorem real estate taxes assessed against the Property but not yet due and payable, provided the same are paid as required under this Mortgage.

2. Rights of tenants, as tenants only, under Leases of the Property permitted under this Mortgage and the other Loan Documents.

3. Matters shown as exceptions on the loan policy of title insurance issued in favor of Lenders insuring the lien of this Mortgage.

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EXHIBIT C

MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

FURTHER STIPULATIONS

1. Notice and Cure. Notwithstanding any terms of this Mortgage to the contrary, Borrower shall not be deemed in default of its monetary covenants and obligations under the Loan Documents if it cures such monetary default thereunder within ten (10) days after written notice from Lenders. Borrower shall be entitled to notice of monetary default only once in any calendar year and only six (6) times during the term of the Note. If Borrower is not entitled to any further notices of monetary default, there shall be no cure period after such monetary default. Additionally, Borrower shall not be deemed to be in default of its non-monetary covenants and obligations under any of the Loan Documents if it cures such non-monetary default thereunder within thirty (30) days after written notice from Lenders, or such longer period of time as may be reasonable if such default is not readily curable within said thirty (30) day period, provided Borrower has promptly commenced and is diligently proceeding to cure such default.

2. Insurance. Notwithstanding the provisions of Paragraphs 1.3 and 1.4 of this Mortgage, Lenders agree that as long as the Lease between HSS Real Estate, Inc. and Marshall's of Chicago-Clark IL., Inc. dated as of July 26, 1994, as amended, the Lease between HSS Real Estate, Inc. and Clark Street L.T., Inc., dated March 28, 1994, as amended, and the Lease between HSS Real Estate, Inc. and Shonac Corporation, dated as of December 30, 1994, as amended, are in full force and effect, the terms of said leases shall govern with respect to the provisions of Paragraph 1.3 and 1.4 of this Mortgage as they apply to those tenants.

3. Direct Payment of Taxes. Notwithstanding the terms of Paragraph 1.4 of this Mortgage, all tenants of the Property shall remit any real estate tax payments or reimbursements required by the terms of the Leases directly to Lenders. This direct payment of taxes shall be effective throughout the term of the Note.

4. Condemnation. Notwithstanding the provisions of Paragraph 1.5 of this Mortgage, Lenders agree that as long as the Lease between HSS Real Estate, Inc. and Chicago-Clark IL., Inc., the Lease between HSS Real Estate, Inc. and Clark Street L.T., Inc. and the Lease between HSS Real Estate, Inc. and Shonac Corporation are in full force and effect, the terms of such leases shall govern with respect to the provisions of Paragraph 1.5 of this Mortgage as they apply to those tenants. Additionally, Lenders shall have no right to call the Note due and payable provided any condemnation does not [i] take any portion of the improvements, [ii] materially and adversely affect any vehicular access to the Property, [iii] reduce the number of parking spaces below the level required by any of the Leases or by applicable zoning or parking regulations, [iv]

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materially and adversely affect any pedestrian access to the Property, [v] violate the provisions of any of the Leases at the Property, [vi] result in the violation of any setback, lot area coverage, zoning, building, planning or other regulation or law applicable to the Property, or [vii] adversely affect the value of the Property.

5. Additions, Improvements and Repairs to Property. Notwithstanding the provisions of Paragraph 1.6 of this Mortgage, Lenders' rights shall be limited by the rights of Chicago-Clark IL., Inc., Clark Street L.T., Inc. and Shonac Corporation as provided in the Leases to such tenants, so long as such Leases are in effect, and to improvements on the Property having a cost in excess of \$50,000.00.

6. Permitted Transfers. Notwithstanding the terms of Paragraph 1.11A of this Mortgage, Lenders shall consent to transfers of the interests of Herbert Saywitz and Mitchell Saywitz in Borrower without charge of a transfer fee or change in the rate on the Note, if such transfers are to spouses, children, or trusts for the benefit of such spouses and/or children of Herbert Saywitz and Mitchell Saywitz.

7. Single-Asset Entity. So long as any of the Indebtedness shall remain unpaid, Borrower shall be a single-asset entity, having the members of the Herbert Saywitz and Mitchell Saywitz families as the owners of 100% of Borrower and the power to direct and control Borrower, owning no assets other than the Property described above.

8. Change in Management. Borrower covenants and agrees that HSS Real Estate, Inc. shall be and remain, at all times while any sums due under the Note remain unpaid, the property manager for the Property. In the event that for whatever reason, by operation of law or otherwise, HSS Real Estate, Inc. should cease, either temporarily or permanently, to act as property manager for the Property, Borrower covenants and agrees as follows:

A. Borrower shall immediately notify Lenders of such event;

B. Borrower shall furnish to Lenders, for their approval in their sole discretion, a copy of any agreement for the management of the Property;

C. Such agreement shall provide by its terms that it may be freely assigned to Lenders;

D. Borrower shall furnish the identity of any replacement manager of the Property, and such other information as Lenders may require, to Lenders for their approval in their sole discretion;

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E. At the option of Lenders, Borrower shall cause to be submitted to Lenders an assignment and subordination of such agreement, in form and substance satisfactory to Lenders, executed by such property manager; and

F. From and after the occurrence of an event of default under the Note, this Mortgage, or the other Loan Documents, regardless of whether such default is cured or waived, Lenders shall have the right, exercising their sole discretion, as the agent of Borrower to terminate any such agreement and to hire and continue to employ a substitute property manager for the Property at Borrower's sole cost and expense.

9. Right of Contest. Notwithstanding certain provisions of this Mortgage, including Paragraph 1.2 hereof, so long as an Event of Default shall not have occurred hereunder and be continuing, Trustor shall have the right to contest or object to the amount or validity of any tax, lien, judgment, or assessment, by appropriate legal proceedings so long as [i] Borrower notifies Lender of Borrower's intent to contest such tax, lien, judgment, or assessment; [ii] Borrower shall provide Lender with evidence reasonably satisfactory to Lender that such proceedings shall operate to prevent the sale of the Property or any portion thereof; [iii] Borrower shall have furnished Lender with a bond or other assurances reasonably satisfactory to Beneficiary sufficient to satisfy such tax, lien, judgment, or assessment; and [iv] upon any final determination of such contest which is not appealable or is not being appealed by Borrower, Borrower shall pay the amount of such tax, lien, judgment, or assessment then due.

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