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Suite 4200
Chicago, Illinois 60603

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MORTGAGE AND SECURITY AGREEMENT

from

CENTERPOINT PROPERTIES CORPORATION,
a Maryland corporation

to

THE ROYAL BANK OF SCOTLAND PLC,
a banking corporation organized and
existing under the laws of Scotland,
acting through its New York Branch

96249237

Dated as of March 1, 1996

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MORTGAGE AND SECURITY AGREEMENT

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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT dated as of March 1, 1996, from CENTERPOINT PROPERTIES CORPORATION, a Maryland corporation (the "Mortgagor"), to THE ROYAL BANK OF SCOTLAND PLC, a banking corporation organized and existing under the laws of Scotland, acting through its New York Branch (the "Mortgagee");

W I T N E S S E T H:

WHEREAS, the City of Gary, Indiana, a municipal corporation duly organized and validly existing under the laws of the State of Indiana (the "Issuer") proposes to issue its tax exempt Adjustable Rate Economic Development Revenue Refunding Bonds, Series 1996 A (The Miller Partnership L.P. Project) in the aggregate principal amount of \$20,540,000 (the "Series 1996 A Bonds") and its Taxable Adjustable Rate Economic Development Revenue Refunding Bonds, Series 1996 B (The Miller Partnership L.P. Project) in the aggregate principal amount of \$1,680,000 (the "Series 1996 B Bonds" and collectively with the Series 1996 A Bonds the "Series 1996 Bonds") pursuant to a Trust Indenture dated as of March 1, 1996 (said Trust Indenture, together with any indentures supplemental thereto are referred to collectively herein as the "Indenture"), by and between the Issuer and Fifth Third Bank of Central Indiana, as Trustee; and

WHEREAS, The Series 1996 Bonds are being issued in order to obtain funds to lend to The Miller Partnership L.P., an Illinois limited partnership ("Miller"), pursuant to a Loan Agreement dated as of March 1, 1996 (said Loan Agreement, as supplemented and amended from time to time, is referred to herein as the "Loan Agreement"), between the Issuer and Miller for the purpose of refunding the Issuer's outstanding Economic Development Revenue Bonds, Series 1991 A (The Miller Partnership L.P. Project) (the "Series 1991 A Bonds"), Taxable Economic Development Revenue Bonds, Series 1991 B (The Miller Partnership L.P. Project) (the "Series 1991 B Bonds" and collectively with the Series 1991 A Bonds, the "Series 1991 Bonds"), Economic Development Revenue Bonds, Series 1993 A (The Miller Partnership L.P. Project) (the "Series 1993 A Bonds"), and Taxable Economic Development Revenue Bonds, Series 1993 B (The Miller Partnership L.P. Project) (the "Series 1993 B Bonds", and collectively with the Series 1993 A Bonds, the "Series 1993 Bonds") (the Series 1991 Bonds and the Series 1993 Bonds are referred to collectively herein as the "Prior Bonds"), the proceeds of which were loaned to Miller for the purpose of purchasing and rehabilitating the Project (as defined in Article I hereof); and

WHEREAS, in order to support the payment when due of the principal of and interest on the Series 1996 Bonds (with interest calculated at an assumed rate of 12% per annum, based on a year of 360 days, for a 56 day period), the Mortgagee is issuing its irrevocable direct pay transferable letter of credit No. LCA 02229600417NY (said Letter of Credit, and any letter of credit or letters of credit hereinafter issued by the Mortgagee in substitution therefor or replacement thereof are hereinafter referred to as the "Letter of

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Credit"), in favor of the Trustee, in the initial stated amount of \$22,634,774; and

WHEREAS, the Letter of Credit is being issued for the account of Miller and the Mortgagor pursuant to that certain Reimbursement Agreement of even date herewith (the "Reimbursement Agreement"), by and among Miller, the Mortgagor (Miller and the Mortgagor are sometimes hereinafter referred to collectively as the "Obligors") and the Mortgagee; and

WHEREAS, the Mortgagor is the sole general partner of Miller, and will realize a direct financial benefit from the issuance by the Mortgagee of the Letter of Credit;

WHEREAS, to induce the Mortgagee to induce the Mortgagor to enter into the Reimbursement Agreement and issue the Letter of Credit, the Mortgagor is executing and delivering this Mortgage and Security Agreement;

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness and obligations hereby secured, the receipt and sufficiency of which are hereby acknowledged, the Mortgagor hereby grants, bargains, sells, conveys and mortgages to the Mortgagee and its successors and assigns forever, under and subject to the terms and conditions hereinafter set forth, all of the Mortgagor's right, title and interest in and to the real property located in the Village of Elk Grove Village, in the County of Cook, State of Illinois, described in Exhibit A attached hereto and by this reference incorporated herein, including all improvements now and hereafter located thereon;

TOGETHER WITH all right, title and interest of the Mortgagor, now owned or hereafter acquired, in and to the following:

(a) All rents, issues, profits, royalties and income with respect to the said real estate and improvements and other benefits derived therefrom, subject to the right, power and authority given to the Mortgagor to collect and apply same; and

(b) All leases or subleases covering the said real estate and improvements or any portion thereof now or hereafter existing or entered into, including, but not limited to, the Leases (as defined in Article I hereof), including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature, and any and all guarantees of the lessee's obligations under any of such leases and subleases; and

(c) All privileges, reservations, allowances, hereditaments and appurtenances belonging or pertaining to the said real estate and improvements and all rights and estates in reversion or remainder and all other interests, estates or other claims, both in

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law and in equity, which the Mortgagor now has or may hereafter acquire in the said real estate and improvements; and

(d) All easements, rights-of-way and rights used in connection with the said real estate and improvements or as a means of ingress and egress thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water rights and shares of stock evidencing the same; and

(e) Any land lying within the right-of-way of any street, open or proposed, adjoining the said real estate and improvements, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the said real estate and improvements; and

(f) Any and all buildings and improvements now or hereafter erected on the said real estate, including, but not limited to, all the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements; and

(g) All materials intended for construction, reconstruction, alteration and repairs of the said real estate and improvements, all of which materials shall be deemed to be included within the said real estate and improvements immediately upon the delivery thereof to the said real estate; and

(h) All fixtures attached to or contained in and used in connection with the said real estate and improvements, including, but not limited to, all machinery, motors, elevators, fittings, radiators, awnings, shades, screens, and all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures and appurtenances thereto; and all items of furniture, furnishings, equipment and personal property used or useful in the operation of the said real estate and improvements; and all renewals, substitutions and replacements for any or all of the foregoing, and all proceeds therefrom, whether or not the same are or shall be attached to the said real estate and improvements in any manner; it being mutually agreed, intended and declared that all the aforesaid property placed by the Mortgagor on and in the said real estate and improvements shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and for the purpose of this Mortgage to be real estate and covered by this Mortgage; and as to any of the aforesaid property which does not so form a part and parcel of the real estate or does not constitute a "fixture" (as such term is defined in the Uniform Commercial Code of Illinois), this Mortgage is deemed to be a security agreement under the Uniform Commercial Code of Illinois for the purpose of creating hereby a security interest in such property, which the Mortgagor as debtor hereby grants to the Mortgagee as secured party; and

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(i) All the estate, interest, right, title and other claims or demands, including claims or demands with respect to any proceeds of insurance related thereto, in the said real estate and improvements or personal property and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the said real estate and improvements or personal property, including without limitation any awards resulting from a change of grade of streets and awards for severance damages;

the said real estate and improvements and the property and interests described in (a) through (i) above being collectively referred to herein as the "Premises;" and as to any portion of the Premises constituting property subject to the Uniform Commercial Code of Illinois, this Mortgage shall be deemed to be a security agreement under such Code for the purpose of creating hereby a security interest in such portion of the Premises, which the Mortgagor as debtor hereby grants to the Mortgagee as secured party.

TO HAVE AND TO HOLD the same unto the Mortgagee and its successors and assigns forever, for the purposes and uses herein set forth.

FOR THE PURPOSE OF SECURING the following (but not exceeding \$35,000,000 in the aggregate):

(a) Payment of all amounts now or hereafter becoming due and owing by the Obligors under the Reimbursement Agreement, and any and all modifications, extensions and renewals thereof, including, without limitation, the obligations to pay fees relating to the Letter of Credit, to reimburse the Mortgagee for any drawings under the Letter of Credit and pay the principal of and interest on all loans made pursuant to the Reimbursement Agreement, and the performance of all of the obligations of the Obligors thereunder, including, without limitation, the obligations to make a cash deposit to secure the obligations of the Obligors under the Reimbursement Agreement under certain circumstances as provided in Section 6(s) thereof; and

(b) Performance and observance by the Mortgagor of all of the terms, covenants and provisions of this Mortgage and by the Obligors of the other Reimbursement Documents (as defined in Article I hereof); and

(c) Payment of all sums advanced by the Mortgagee to perform any of the terms, covenants and provisions of this Mortgage or any of the other Reimbursement Documents, or otherwise advanced by the Mortgagee pursuant to the provisions hereof or any of such other Reimbursement Documents to protect the property hereby mortgaged and pledged; and

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(d) Performance and observance of all of the terms, covenants and provisions of any other instrument given to evidence or further secure the payment and performance of any indebtedness hereby secured or any obligation secured hereby; and

(e) Payment of any future or further advances which may be made by the Mortgagee at its sole option to and for the benefit of the Mortgagor, its successors, assigns and legal representatives.

PROVIDED, HOWEVER, that if the Obligors shall fully perform all of their covenants and obligations under the Reimbursement Agreement and the other Reimbursement Documents and shall have no further obligation thereunder, and shall pay all sums herein provided for or secured hereby, including, without limitation, all sums payable under the Reimbursement Agreement and the other Reimbursement Documents, and shall well and truly keep and perform all of the covenants herein contained, and if the Letter of Credit shall be surrendered and cancelled and the Mortgagee shall have no further liability or obligation thereunder or with respect thereto, then this Mortgage shall be released at the cost of the Mortgagor, otherwise to remain in full force and effect.

TO PROTECT THE SECURITY OF THIS MORTGAGE AND SECURITY AGREEMENT, THE MORTGAGOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. The terms defined in this Section (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Mortgage shall have the respective meanings specified in this Section.

"Environmental Report" means the Phase I Environmental Assessment of the real property located at 1400 Buss Road, Elk Grove Village, Illinois, prepared by Carlson Environmental, Inc., dated August 23, 1993.

"Event of Default" when used in reference to this Mortgage means an Event of Default specified in Section 4.1 hereof.

"Hazardous Material" means any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, The Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect; asbestos or any substance or compound

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containing asbestos; polychlorinated biphenyls or any substance or compound containing any polychlorinated biphenyl; and any other hazardous, toxic or dangerous waste, substance or material.

"Indemnity Agreement" means the Indemnity Agreement dated as of March 1, 1996, from the Obligors to the Mortgagee.

"Leases" means the lease or leases described in Exhibit B attached hereto.

"Letter of Credit" means Irrevocable Letter of Credit No. LCA 02229600417NY dated April 1, 1996, in the initial stated amount of \$22,634,74, issued by the Mortgagee, and any substitute letter of credit therefor or the Mortgagee issued from time to time hereafter.

"Miller" means The Miller Partnership L.P., an Illinois limited partnership.

"Mortgage" or "Supplemental Property Mortgage" means this Mortgage and Security Agreement dated as of March 1, 1996, from the Mortgagor to the Mortgagee.

"Mortgagee" means The Royal Bank of Scotland plc, a banking corporation organized and existing under the laws of Scotland, acting through its New York branch.

"Mortgagor" means CenterPoint Properties Corporation, a Maryland corporation.

"Obligors" means, collectively, Miller and the Mortgagor.

"Permitted Encumbrances" means (i) this Mortgage; (ii) the Assignment of Rents; (iii) Uniform Commercial Code financing statements reflecting the Mortgagee as secured party; (iv) the Leases, and leases of the Premises entered into after the date of the recording of this Mortgage, provided same have been entered into in accordance with the provisions of Section 3.1 of this Mortgage; (v) liens for ad valorem taxes and special assessments not then delinquent; and (vi) the additional matters set forth in Exhibit C attached hereto.

"Premises" means the real estate described in Exhibit A attached hereto and all improvements now and hereafter located thereon, and all other property, rights and interests described in the foregoing granting clauses of this Mortgage.

"Prime Rate" means the rate of interest announced by the Mortgagee in New York, New York, from time to time as its prime rate.

"Project" means a 14-building, 682 unit multi-family housing project, located at 415 North Lake Street, in the City of Gary, Indiana, which is located on the real estate described in Exhibit A to the Project Mortgage.

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"Project Assignment of Rents" means the Assignment of Rents and Leases dated as of March 1, 1996, from Miller to the Mortgagee, relating to the Project.

"Project Mortgage" means the Mortgage and Security Agreement dated as of March 1, 1996, from Miller to the Mortgagee, relating to the Project.

"Reimbursement Agreement" means the Reimbursement Agreement dated as of March 1, 1996, by and among the Obligors and the Mortgagee.

"Reimbursement Documents" means the Reimbursement Agreement, this Mortgage, the Supplemental Property Assignment of Rents, the Indemnity Agreement, the Project Mortgage, the Project Assignment of Rents and all other documents and instruments which are "Reimbursement Documents" under the Reimbursement Agreement.

"Related Documents" means all documents and instruments which are "Related Documents" under the Reimbursement Agreement.

"Supplemental Property Assignment of Rents" means the Assignment of Rents and Leases dated as of March 1, 1996, from the Mortgagor to the Mortgagee.

ARTICLE II

COVENANTS AND AGREEMENTS OF MORTGAGOR

Section 2.1. Payment of Indebtedness. The Mortgagor covenants and agrees that it will pay or cause to be paid when due all sums payable pursuant to the Reimbursement Agreement, all other sums which may become due pursuant to the other Reimbursement Documents, and all other indebtedness hereby secured as described in the foregoing granting clauses of this Mortgage, including, but not limited to, all charges, fees and all other sums to be paid by the Obligors or either of them as provided in the Reimbursement Agreement and the other Reimbursement Documents, and that it will duly and punctually perform, observe and comply with and cause the due and punctual performance, observance and compliance with, all of the terms, provisions and conditions herein and in the Reimbursement Agreement and the other Reimbursement Documents provided to be performed and observed by the Obligors or either of them. The Reimbursement Agreement secured hereby, which is hereby incorporated into this Mortgage by reference with the same effect as if set forth in full herein, provides for the issuance of the Letter of Credit in the stated amount of \$22,634,774. The Obligors are obligated under the Reimbursement Agreement to reimburse the Mortgagee for all amounts drawn under the Letter of Credit on or prior to the date that is five (5) days from the date of such drawing, plus interest on such amounts from the date of drawing until payment has been made in full at the Prime Rate (defined below). Reimbursement payments and payments of other obligations under the Reimbursement Agreement not

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made when due bear interest at a fluctuating interest rate per annum equal to 2.0% plus the Prime Rate, such rate of interest to change on the effective date of any change in such Prime Rate.

Section 2.2. Maintenance, Repair, Alterations. The Mortgagor covenants and agrees that it will:

- (a) keep the Premises in good condition and repair;
- (b) not remove, demolish or substantially alter (except such alterations as may be required by laws, ordinances or governmental regulations) any of the improvements which are a part of the Premises;
- (c) promptly repair and restore any portion of the Premises which may become damaged or be destroyed so as to be of at least equal value and of substantially the same character as prior to such damage or destruction;
- (d) subject to Section 2.12(b) hereof, pay when due all claims for labor performed and materials furnished to and for the Premises;
- (e) comply with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Premises or any part thereof or requiring any alterations or improvements;
- (f) not commit or permit any waste or deterioration of the Premises or any portion thereof;
- (g) keep and maintain the Premises and abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair and free of nuisance;
- (h) not commit, suffer or permit any act to be done in or upon the Premises in violation of any law, ordinance or regulation;
- (i) not initiate or acquiesce in any zoning change or reclassification of the Premises; and
- (j) subject to Section 2.12(b) hereof, keep the Premises free and clear of all liens and encumbrances of every sort except Permitted Encumbrances.

Section 2.3. Required Insurance. The Mortgagor shall at all times provide, maintain and keep in force the following policies of insurance:

- (a) Insurance against loss or damage to any improvements on the Premises by fire and any of the risks covered by insurance of the type now known as "fire and extended coverage", in an amount not less than the full replacement cost thereof (exclusive

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of the cost of excavations, foundations and footings below the lowest basement floor), and with not more than \$10,000 deductible from the loss payable for any casualty.

(b) Comprehensive public liability insurance, including coverage for elevators and escalators, if any, on the Premises and completed operations coverage for two years after any construction or repair at the Premises has been completed, on an occurrence basis against claims for personal injury, including without limitation bodily injury, death or property damage occurring on, in or about the Premises and the adjoining streets, sidewalks and passageways, such insurance to afford immediate minimum protection to a limit of not less than \$1,000,000 for one person and \$3,000,000 per occurrence for personal injury or death and \$500,000 per occurrence for damage to property.

(c) Workers' compensation insurance in accordance with the requirements of Illinois law.

(d) During the course of any construction or repair at the Premises, builder's risk insurance against all risks of physical loss, on a completed value basis, including collapse and transit coverage, with a deductible not to exceed \$10,000, in nonreporting form, covering the total value of work performed and equipment, supplies and materials furnished, and containing the "permission to occupy upon completion of work" endorsement.

(e) Boiler and machinery insurance covering any pressure vessels, air tanks, boilers, machinery, pressure piping, heating, air conditioning and elevator equipment and escalator equipment located on the Premises, and insurance against loss of occupancy or use arising from any breakdown therein, all in such amounts as are satisfactory to the Mortgagee.

(f) Business interruption, use and occupancy or rent loss insurance on the Premises covering loss of the use of the Premises caused by the perils covered by the policies described in (a) and (e) above, for a period of not less than one year.

(g) If the Premises are located in an area that has been identified by the United States Department of Housing and Urban Development as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, flood insurance in an amount at least equal to the replacement cost of any improvements on the Premises or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

(h) Such other insurance, and in such amounts, as may from time to time be required by the Mortgagee, in the exercise of reasonable discretion, against the same or other hazards.

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All policies of insurance required by terms of this Mortgage shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of the Mortgagor or Mortgagee which might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of set-off, counterclaim or deductions against the Mortgagor, and shall provide that the amount payable for any loss shall not be reduced by reason of co-insurance.

Section 2.4. Delivery of Policies; Payment of Premiums.

All policies of insurance required by the terms of this Mortgage shall be issued by companies and in amounts in each company satisfactory to the Mortgagee. All policies of insurance shall be maintained for and name the Mortgagor and the Mortgagee as insureds, as their respective interests may appear, and the policies required by paragraphs (a), (d), (e), (f) and (g) of Section 2.3 hereof shall have attached thereto a mortgagee's loss payable endorsement for the benefit of the Mortgagee in form satisfactory to the Mortgagee. The Mortgagor shall furnish the Mortgagee with the original of all required policies of insurance or certificates satisfactory to the Mortgagee. At least 30 days prior to the expiration of each such policy, the Mortgagor shall furnish the Mortgagee with evidence satisfactory to the Mortgagee of the payment of the premium and the reissuance of a policy continuing insurance in force as required by this Mortgage. Each policy of insurance required by this Mortgage shall contain a provision that such policy will not be cancelled or materially amended, including any reduction in the scope or limits of coverage, without at least 30 days' prior written notice to the Mortgagee.

Section 2.5. Taxes and Impositions.

(a) The Mortgagor agrees to pay or cause to be paid, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including without limitation any non-governmental levies or assessments such as maintenance charges, owner association dues or charges or fees, levies or charges resulting from covenants, conditions and restrictions affecting the Premises, which are assessed or imposed upon the Premises, or become due and payable, and which create, may create or appear to create a lien upon the Premises, or any part thereof (all of which taxes, assessments and other governmental charges and non-governmental charges of the above-described or like nature are hereinafter referred to as "Impositions"); provided however, that if, by law, any such Imposition is payable, or at the option of the taxpayer may be paid, in installments, the Mortgagor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) The Mortgagor shall furnish to the Mortgagee within 30 days after the date upon which any Imposition is due and payable by the

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Mortgagor, official receipts of the appropriate taxing authority, or other proof satisfactory to the Mortgagee, evidencing the payment thereof.

(c) The Mortgagor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings properly instituted and prosecuted in such manner as shall stay the collection of the contested Impositions and prevent the sale or forfeiture of the Premises to collect the same; provided that no such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Mortgagor's covenants to pay any such Imposition at the time and in the manner provided in this Section unless the Mortgagor has given prior written notice to the Mortgagee of the Mortgagor's intent to so contest or object to an Imposition, and unless, at the Mortgagee's sole option, (i) the Mortgagor shall demonstrate to the Mortgagee's satisfaction that legal proceedings instituted by the Mortgagor contesting or objecting to such impositions shall conclusively operate to prevent the sale or forfeiture of the Premises, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings; and/or (ii) the Mortgagor shall furnish a good and sufficient bond or surety as requested by and satisfactory to the Mortgagee, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Premises during the pendency of such contest, adequate fully to pay all such contested Impositions and all interest and penalties upon the adverse determination of such contest.

Section 2.6. Utilities. The Mortgagor shall pay or cause to be paid when due all utility charges which are incurred by the Mortgagor or others for the benefit of or service to the Premises or which may become a charge or lien against the Premises for gas, electricity, water or sewer services furnished to the Premises and all other assessments or charges of a similar nature, whether public or private, affecting the Premises or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

Section 2.7. Actions by Mortgagee to Preserve Premises. Should the Mortgagor fail to make any payment or to do any act as and in the manner provided herein or in any of the other Reimbursement Documents, the Mortgagee in its own discretion, without obligation so to do and without releasing the Mortgagor from any obligation, may, following written notice to Mortgagor, make or do the same in such manner and to such extent as it may deem necessary to protect the security hereof. In connection therewith (without limiting its general powers), the Mortgagee shall have and is hereby given the right, but not the obligation, (i) to enter upon and take possession of the Premises; (ii) to make additions, alterations, repairs and improvements to the Premises which it may consider necessary and proper to keep the Premises in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the Premises, the security hereof or the rights or powers of the Mortgagee; (iv) to pay

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any Impositions (as defined in Section 2.5 hereof) asserted against the Premises and to do so according to any bill, statement or estimate procured from the appropriate office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any Imposition; (v) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of the Mortgagee may affect or appears to affect the Premises or the security of this Mortgage or which may be prior or superior hereto; and (vi) in exercising such powers, to pay necessary expenses, including employment of and payment of compensation to counsel or other necessary or desirable consultants, contractors, agents and other employees. The Mortgagor irrevocably appoints the Mortgagee its true and lawful attorney in fact, at the Mortgagee's election, to do and cause to be done all or any of the foregoing in the event the Mortgagee shall be entitled to take any or all of the action provided for in this Section. The Mortgagor shall immediately, upon demand therefor by the Mortgagee, pay all costs and expenses incurred by the Mortgagee in connection with the exercise by the Mortgagee of the foregoing rights, including without limitation, costs of evidence of title, court costs, appraisals, surveys and attorneys' fees, all of which shall constitute so much additional indebtedness secured by this Mortgage immediately due and payable, with interest thereon at a rate equal to two percent (2%) per annum above the Prime Rate.

Section 2.8. Damage and Destruction.

(a) The Mortgagor shall give the Mortgagee prompt notice of any damage to or destruction of any portion or all of the Premises, and the provisions contained in the following paragraphs of this Section shall apply in the event of any such damage or destruction.

(b) In the case of loss covered by policies of insurance, the Mortgagee is hereby authorized at its option either (i) to settle and adjust any claim under such policies without the consent of the Mortgagor, or (ii) to allow the Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss; and in any case the Mortgagee shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the reasonable expenses incurred by the Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional indebtedness secured by this Mortgage, and shall be reimbursed to the Mortgagee upon demand.

(c) In the event of any insured damage to or destruction of the Premises or any part thereof the proceeds of insurance payable as a result of such loss shall be applied upon the indebtedness secured by this Mortgage or applied to the repair and restoration of the Premises, as the Mortgagee in its sole discretion shall elect.

(d) In the event that the Mortgagee shall elect that proceeds of insurance are to be applied upon the indebtedness secured by this Mortgage, the proceeds of insurance shall be paid to the Mortgagee and held by the Mortgagee as cash collateral to be applied, at the option of

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the Mortgagee, against any amounts then or thereafter becoming due and payable by the Mortgagor under the Reimbursement Agreement or any of the other Reimbursement Documents.

(e) In the event that the Mortgagee shall elect that proceeds of insurance are to be applied to the repair and restoration of the Premises, the Mortgagor hereby covenants promptly to repair and restore the same. In such event such proceeds shall be made available, from time to time, to pay or reimburse the costs of such repair and restoration, upon the Mortgagee's being furnished with satisfactory evidence of the estimated cost of such repair and restoration and with such architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as the Mortgagee may require and approve, and if the estimated cost of the work exceeds the aggregate sum of \$150,000, with all plans and specifications for such repair or restoration as the Mortgagee may require and approve. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of the Mortgagee shall be at least sufficient to pay for the cost of completion of the work, free and clear of any liens.

(f) Notwithstanding any provision herein to the contrary and in particular Section 2.8(c) hereof, in the event of any such damage or destruction, the Mortgagee shall make the proceeds of insurance received as a result of such damage or destruction available for the repair and restoration of the Premises, subject to the following conditions: (i) that there does not then exist any Event of Default under this Mortgage or any of the other Reimbursement Documents, or any condition which with the passage of time or the giving of notice, or both, would constitute such an Event of Default; (ii) that all then existing leases and subleases of the Premises shall continue in full force and effect without reduction or abatement of rental (except during any period of untenability); (iii) that the Mortgagee shall first be given satisfactory proof that such improvements have been fully repaired and restored, or that by the expenditure of such money will be fully repaired and restored, free and clear of all liens, except the lien of this Mortgage; (iv) that in the event such proceeds shall be insufficient to repair and restore the Premises, the Mortgagor shall deposit promptly with the Mortgagee the amount of such deficiency; (v) that in the event the Mortgagor shall fail within a reasonable time to repair and restore the Premises, then the Mortgagee, at its option, may repair and restore the Premises for or on behalf of the Mortgagor and for such purpose may do all necessary acts, including using said funds deposited by the Mortgagor as aforesaid; (vi) that waiver of the right of subrogation shall be obtained from any insurer under such policies of insurance who, at that time, claims that no liability exists as to the Mortgagor or the then owner or the assured under such policies; (vii) such insurance proceeds shall be disbursed as provided in Section 2.8(e) hereof; and (viii) that the excess of said insurance proceeds above the amount necessary to complete such repair and restoration shall be applied by the Mortgagee as provided in Section 2.8(d) hereof. In the

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event any of the said conditions are not or cannot be satisfied, then the alternate disposition of such insurance proceeds as provided in Section 2.8(d) hereof shall become applicable. Under no circumstances shall the Mortgagee become personally liable for the fulfillment of the terms, covenants and conditions contained in any leases or subleases of the Premises nor obligated to take any action to repair and restore the Premises.

Section 2.9. Eminent Domain.

(a) Should the Premises or any part thereof or interest therein be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner, or should the Mortgagor receive any notice or other information regarding any such proceeding, the Mortgagor shall give prompt written notice thereof to the Mortgagee, and the provisions contained in the following paragraphs of this Section shall apply.

(b) The Mortgagee shall be entitled to all compensation, awards and other payments or relief therefor (except awards made to tenants of the Premises) and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings. The Mortgagee shall also be entitled to make any compromise or settlement in connection with such taking or damage. All proceeds of compensation, awards, damages, rights of action and proceeds awarded to the Mortgagor are hereby assigned to the Mortgagee to the extent of the debt secured hereby and the Mortgagor agrees to execute such further assignments of such proceeds as the Mortgagee may require.

(c) In the event that any portion of the Premises are taken or damaged as aforesaid, all such proceeds shall be applied upon the indebtedness secured by this Mortgage or applied to the repair and restoration of the Premises, as the Mortgagee in its sole discretion shall elect.

(d) In the event that the Mortgagee shall elect that such proceeds are to be applied upon the indebtedness secured by this Mortgage, the proceeds shall be paid to the Mortgagee and held by the Mortgagee as cash collateral to be applied, at the option of the Mortgagee, against any amounts then or thereafter becoming due and payable by the Mortgagor under the Reimbursement Agreement or any of the other Reimbursement Documents.

(e) In the event that the Mortgagee shall elect that such proceeds are to be applied to the repair and restoration of the Premises, the Mortgagor hereby covenants promptly to repair and restore the same. In such event such proceeds shall be made available, from time to time, to pay or reimburse the costs of such repair and restoration on the terms provided for in Section 2.8(e) hereof with respect to insurance proceeds.

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Section 2.10. Inspection of Premises. The Mortgagee, or its agents, representatives or workmen, are authorized to enter at any reasonable time following reasonable prior notice upon or in any part of the Premises for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage or any of the other Reimbursement Documents.

Section 2.11. Inspection of Books and Records; Financial Statements.

(a) The Mortgagor shall keep and maintain full and correct records showing in detail the income and expenses of the Premises and shall make such books and records and all supporting vouchers and data available for examination by the Mortgagee and its agents at any time and from time to time on request at the offices of the Mortgagee, or at such other location as may be mutually agreed upon.

(b) The Mortgagor shall furnish to the Mortgagee as soon as available and in any event within 60 days after the end of each quarter of each fiscal year of the Mortgagor, an unaudited operating statement for the Premises, as of the end of such quarter, including the related statements of income and retained earnings and statements of cash flows for such quarter and for the portion of the Mortgagor's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding portion of the Mortgagor's previous fiscal year all certified as to fairness of presentation, GAAP and consistency by the chief financial officer or the chief accounting officer of the Mortgagor and a rent roll as of the end of each such quarter certified by the chief financial officer or the chief accounting officer of the Mortgagor.

Section 2.12. Title, Liens and Conveyances.

(a) The Mortgagor represents that it holds good and marketable title to the Premises, subject only to Permitted Encumbrances.

(b) Except for Permitted Encumbrances, the Mortgagor shall not create, suffer or permit to be created or filed against the Premises, or any part thereof or interest therein, any mortgage lien or other lien, charge or encumbrance, either superior or inferior to the lien of this Mortgage. The Mortgagor shall have the right to contest in good faith the validity of any such lien, charge or encumbrance, provided the Mortgagor shall first deposit with the Mortgagee a bond, title insurance or other security satisfactory to the Mortgagee in such amounts or form as the Mortgagee shall require; provided further that the Mortgagor shall thereafter diligently proceed to cause such lien, encumbrance or charge to be removed and discharged. If the Mortgagor shall fail to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of the Mortgagee, the Mortgagee may, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such lien by depositing in court a bond for the amount claimed or otherwise giving

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security for such claim, or in such manner as is or may be prescribed by law and any amounts expended by the Mortgagee in so doing shall be so much additional indebtedness secured by this Mortgage. Except for Permitted Encumbrances and liens, charges and encumbrances being contested as provided above, in the event that the Mortgagor shall suffer or permit any superior or junior lien, charge or encumbrance to be attached to the Premises, the Mortgagee, at its option, shall have the unqualified right to declare an Event of Default hereunder.

(c) In the event title to the Premises is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein upon the creation of any lien against the Premises shall also be construed as a similar prohibition or limitation against the creation of any lien or security interest upon the beneficial interest under such trust.

(d) In the event that the Mortgagor shall sell, transfer, convey or assign the title to all or any portion of the Premises, whether by operation of law, voluntarily, or otherwise, or the Mortgagor shall contract to do any of the foregoing, the Mortgagee, at its option, shall have the unqualified right to declare an Event of Default hereunder.

(e) Any waiver by the Mortgagee of the provisions of this Section shall not be deemed to be a waiver of the right of the Mortgagee to insist upon strict compliance with the provisions of this Section in the future.

Section 2.13. Taxes Affecting Mortgage.

(a) If at any time any federal, State or municipal law shall require any documentary stamps or other tax thereon, or shall require payment of any tax upon the indebtedness secured hereby, then the said indebtedness and the accrued interest thereon shall be and become due and payable at the election of the Mortgagee upon 60 days' notice to the Mortgagor; provided, however, said election shall be unavailing and this Mortgage shall be and remain in effect, if the Mortgagor lawfully may pay for such stamps or such tax including interest and penalties thereon to or on behalf of the Mortgagee and the Mortgagor does in fact pay, when payable, for all such stamps or such tax, as the case may be, including interest and penalties thereon.

(b) In the event of the enactment after the date of this Mortgage of any law of the State in which the Premises are located deducting from the value of the Premises for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder hereof, then, and in any such event, the Mortgagor, upon demand

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by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided, however, that if, in the opinion of counsel for the Mortgagee, (i) it might be unlawful to require Mortgagor to make such payment or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then, and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable within 60 days from the giving of such notice. Notwithstanding the foregoing, it is understood and agreed that the Mortgagor is not obligated to pay any portion of Mortgagee's federal or State income tax.

Section 2.14. Environmental Matters.

(a) The Mortgagor hereby represents and warrants to the Mortgagee that neither the Mortgagor nor any of its affiliates or subsidiaries, nor, to the best of the Mortgagor's knowledge and except as disclosed in the Environmental Report, any other person or entity, has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the Premises or any part thereof, and that no portion of the Premises has ever been used by the Mortgagor or any of its affiliates or subsidiaries, or, to the best of the Mortgagor's knowledge, by any other person or entity, as a treatment, storage or disposal site (whether permanent or temporary) for any Hazardous Material, and that there are no underground storage tanks located on the Premises.

(b) Without limitation on any other provision hereof, the Mortgagor hereby agrees to indemnify and hold the Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any kind whatsoever (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the following (collectively, "Environmental Laws"): the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, now or hereafter in force, regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Material) paid, incurred, suffered by or asserted against the Mortgagee as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of, the Mortgagor: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release of any Hazardous Material from (A) the Premises or any part thereof, or (B) (to the extent a lien is created on the Premises or the Project) any other real property in which the Mortgagor or any of its affiliates or subsidiaries holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust the beneficial interest in which is owned, in whole or in part, by the Mortgagor or any of its affiliates or subsidiaries), or (ii) any liens against the Premises permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligations

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of the Mortgagor or any of its affiliates or subsidiaries under any Environmental Laws, or (iii) any actual or asserted liability or obligations of the Mortgagee or any of its affiliates or subsidiaries under any Environmental Laws relating to the Premises.

(c) If any of the provisions of the Illinois Responsible Property Transfer Act of 1988 ("IRPTA") are now or hereafter become applicable to the Premises, the Mortgagor shall comply with such provisions. Without limitation on the generality of the foregoing, (i) if the delivery of a disclosure document is now or hereafter required by IRPTA, the Mortgagor shall cause the delivery of such disclosure document to be made to all parties entitled to receive same within the time period required by IRPTA; and (ii) the Mortgagor shall cause any such disclosure document to be recorded with the Recorder of Deeds of the County in which the Premises are located and filed with the Illinois Environmental Protection Agency, all within the time periods required by IRPTA. The Mortgagor shall promptly deliver to the Mortgagee evidence of such recording and filing of such disclosure document.

(d) The representations, warranties, covenants, indemnities and obligations provided for in this Section 2.14 shall be continuing and shall survive the payment, performance, satisfaction, discharge, cancellation, termination, release and foreclosure of this Mortgage; provided, however, that such representations, warranties, covenants, indemnities and obligations shall not apply with respect to Hazardous Materials which are first placed on the Premises on or after the date on which the Mortgagee or any other party obtains title to and possession of the Premises pursuant to an exercise by the Mortgagee of its remedies under this Mortgage or any of the other Reimbursement Documents or as a result of a conveyance of title to the Premises by the Mortgagor to the Mortgagee or such other party in lieu of such exercise of remedies.

Section 2.15. Estoppel Letters. The Mortgagor shall furnish from time to time, within 15 days after the Mortgagee's request, a written statement, duly acknowledged, of the amount due upon this Mortgage and whether any alleged offsets or defenses exist against the indebtedness secured by this Mortgage.

ARTICLE III

LEASES; DECLARATION OF SUBORDINATION TO LEASES

Section 3.1. Leases. The Mortgagor agrees (i) that except for leases entered into in the ordinary course of business, which provide for payment of rent (and expenses) not less than that currently required under existing leases of the same premises, and which contain subordination and attornment language acceptable to the Mortgagee, it will not enter into any lease of the Premises or any portion thereof or consent to or suffer or permit any sublease of the Premises or any portion thereof, in each case without the prior written consent of the Mortgagee; (ii) that it will at all times duly perform and observe all

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of the terms, provisions, conditions and agreements on its part to be performed and observed under any and all leases of the Premises or any portion thereof, including, but not limited to, the Leases, and shall not suffer or permit any default or Event of Default on the part of the lessor to exist thereunder; (iii) that except for transactions in the ordinary course of business which result in leases which provide for payment of rent (and expenses) not less than that required under existing leases of the same premises, and which contain subordination and attornment provisions acceptable to the Mortgagee, it will not agree or consent to, or suffer or permit, any assignment, termination, modification or amendment of any lease of the Premises, or any portion thereof, including, but not limited to, the Leases, without the prior written consent of the Mortgagee; and (iv) except for security deposits not to exceed one month's rent for any one lessee, that it will not collect any rent for more than one month in advance of the date same is due. Nothing herein contained shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty or liability of lessor under any lease of the Premises, and the Mortgagor shall and does hereby indemnify and hold the Mortgagee harmless from any and all liability, loss or damage which the Mortgagee may or might incur under any leases of the Premises; and any and all such liability, loss or damage incurred by the Mortgagee, together with the costs and expenses, including reasonable attorneys' fees, incurred by the Mortgagee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional indebtedness secured by this Mortgage, and the Mortgagor shall reimburse the Mortgagee therefor on demand. The Mortgagor shall deliver to the Mortgagee a copy of each lease and any amendment, modification, extension or sublease of or under any lease from time to time affecting the Premises or any portion thereof within 30 days after execution thereof.

Section 3.2. Declaration of Subordination to Leases. At the option of the Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases and subleases of all or any part of the Premises upon the execution by the Mortgagee and recording thereof, at any time hereafter, in the Office of the Recorder of Deeds of the county wherein the Premises are situated, of a unilateral declaration to that effect.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

Section 4.1. Events of Default. Any of the following events shall be deemed an "Event of Default" hereunder:

(a) Default shall be made in the payment when due of any amount payable to the Mortgagee under the Reimbursement Agreement or in the payment when due of any other amount required to be paid by the Mortgagor hereunder or by the Mortgagor or Miller under any

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of the other Reimbursement Documents, or in the payment when due of any other indebtedness secured by this Mortgage in each case such default shall continue beyond any applicable grace or cure period, and in the case of payments required under this Mortgage (as opposed to under the other Reimbursement Documents) such default shall continue for a period of five days after notice thereof to the Mortgagor; or

(b) Either of the Obligors shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, State or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of either of the Obligors or of all or any part of the Premises or any of the other properties, or of any or all of the royalties, revenues, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its or his inability to pay its or his debts generally as they become due; or

(c) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against either of the Obligors seeking any reorganization, dissolution or similar relief under any present or future federal, State or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of either of the Obligors or of all or any part of the Premises or any of the other properties, or of any or all of the royalties, revenues, rents, issues or profits thereof, shall be appointed and such appointment shall remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive); or

(d) A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Premises, or any judgment involving monetary damages shall be entered against the Mortgagor which shall become a lien on the Premises or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within 60 days after its entry or levy; or

(e) If any representation or warranty of the Mortgagor contained in this Mortgage, or of either of the Obligors contained in any of the other Related Documents or any certificate or other document delivered in connection therewith, shall prove untrue or incorrect in any material respect; or

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(f) If there has occurred any other breach of or default under any term, covenant, agreement, condition or provision contained in this Mortgage and any such breach or default shall continue without cure for a period of 30 days following written notice thereof to the Mortgagor; provided that if such breach or default is of such a nature that it cannot reasonably be corrected within such 30-day period, and provided such breach or default is susceptible of cure, it shall not constitute an Event of Default hereunder if corrective action is instituted by the Mortgagor within such 30-day period and diligently pursued, and such breach or default is corrected within 60 days of such notice; or

(g) If there has occurred any other breach of or default under any term, covenant, agreement, condition, provision, representation or warranty contained in any of the other Related Documents which has not been cured within any applicable grace period; or

(h) If any Event of Default has occurred or been declared under any other mortgage on the Premises.

Section 4.2. Acceleration upon Default; Additional Remedies.

Upon or at any time after the occurrence of any Event of Default, the Mortgagee may declare all obligations secured by this Mortgage to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind. In addition, upon the occurrence of any Event of Default, and provided the Mortgagee has not exercised its right to give notice of termination of the Letter of Credit and demand payment by the Mortgagor of the amount available to be drawn on the Letter of Credit, as provided in Section 7 of the Reimbursement Agreement, the Mortgagee may pursuant to Section 6(s) of the Reimbursement Agreement, require the Mortgagor to make a cash deposit to secure the Mortgagor's obligations under the Reimbursement Agreement in an amount, and upon the conditions and following demand as described therein, whereupon such amount shall become immediately due and payable to the Mortgagee without regard to whether any drawings on the Letter of Credit are outstanding and unreimbursed under the Reimbursement Agreement. Thereafter the Mortgagee may:

(a) Either in person or by agent, with or without bringing any action or proceeding, if applicable law permits, enter upon and take possession of the Premises, or any part thereof, in its own name, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Premises, or any part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Premises, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same to the payment of taxes, insurance premiums and other charges against the Premises or in reduction of the indebtedness secured by this Mortgage, or the Mortgagee may hold such rents, issues and profits as cash collateral to be applied, at the option of the Mortgagee, against any amounts then

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or thereafter becoming due or payable by the Mortgagor under the Reimbursement Agreement or any of the other Reimbursement Documents; and the entering upon and taking possession of the Premises, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any Event of Default or notice of default hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Premises or the collection, receipt and application of rents, issues or profits, the Mortgagee shall be entitled to exercise every right provided for in any of the other Reimbursement Documents or by law upon occurrence of any Event of Default; or

(b) Commence an action to foreclose this Mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; or

(c) Sell the Premises, or any part thereof, or cause the same to be sold, and convey the same to the purchaser thereof, pursuant to the statute in such case made and provided, and out of the proceeds of such sale retain all of the indebtedness secured by this Mortgage including, without limitation, principal, accrued interest, costs and charges of such sale, the attorneys' fees provided by such statute (or in the event of a suit to foreclose by court action, a reasonable attorney's fee), rendering the surplus moneys, if any, to the Mortgagor; provided, that in the event of public sale, such property may, at the option of the Mortgagee, be sold in one parcel or in several parcels as the Mortgagee, in its sole discretion, may elect; or

(d) Exercise any or all of the remedies available to a secured party under the Uniform Commercial Code of Illinois and any notice of sale, disposition or other intended action by the Mortgagee, sent to the Mortgagor at the address specified in Section 5.13 hereof, at least five days prior to such action, shall constitute reasonable notice to the Mortgagor.

Section 4.3. Foreclosure; Expense of Litigation. When the indebtedness secured by this Mortgage, or any part thereof, shall become due, whether by acceleration or otherwise, the Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any suit to foreclose the lien hereof or enforce any other remedy of the Mortgagee under this Mortgage, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as the Mortgagee may deem reasonably necessary either to

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prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by the Mortgagee in any litigation or proceeding affecting this Mortgage, any of the other Reimbursement Documents or the Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be so much additional indebtedness secured by this Mortgage, immediately due and payable, with interest thereon at the Prime Rate. In the event of any foreclosure sale of the Premises, the same may be sold in one or more parcels. The Mortgagee may be the purchaser at any foreclosure sale of the Premises or any part thereof.

Section 4.4. Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Premises or of the exercise of any other remedy hereunder shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings or such other remedy, including all such items as are mentioned in Section 4.3 hereof; second, on account of all other items which under the terms hereof constitute indebtedness secured by this Mortgage additional to that evidenced by the Reimbursement Agreement, with interest thereon as therein provided; third, on account of all amounts, including, without limitation, principal and interest then due and owing under the Reimbursement Agreement, or at the Mortgagee's option, to establish a cash collateral account to be held by the Mortgagee to secure any amounts then due or thereafter becoming due or payable by the Mortgagor under the Reimbursement Agreement or any of the other Reimbursement Documents; and fourth, any overplus to the Mortgagor, its successors or assigns, as their rights may appear.

Section 4.5. Appointment of Receiver. Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises or any portion thereof. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of the Mortgagor at the time of application for such receiver and without regard to the then value of the Premises and the Mortgagee or any holder of the Reimbursement Agreement may be appointed as such receiver. Such receiver shall have power (i) to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits; (ii) to extend or modify any then existing leases and to make new leases, which extension, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness secured by this Mortgage and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers

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at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon the Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding discharge of the indebtedness secured by this Mortgage, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser; and (iii) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of the indebtedness secured by this Mortgage, or found due or secured by any judgment foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale.

Section 4.6. Insurance After Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in repairing and restoring the Premises, shall be used to pay the amount due in accordance with any judgment of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct.

Section 4.7. Remedies Not Exclusive; No Waiver of Remedies.

(a) The Mortgagee shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Mortgage or under any of the other Reimbursement Documents or other agreement or any laws now or hereafter in force, notwithstanding that some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or other powers herein contained, shall prejudice or in any manner affect the Mortgagee's right to realize upon or enforce any other security now or hereafter held by the Mortgagee, it being agreed that the Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by the Mortgagee in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Reimbursement Documents to the Mortgagee or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as it may be deemed expedient by the Mortgagee and the Mortgagee may pursue inconsistent remedies. Failure by the Mortgagee to exercise any right which it may exercise hereunder, or the acceptance by the Mortgagee of partial

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payments, shall not be deemed a waiver by the Mortgagee of any default or of its right to exercise any such rights thereafter.

(b) In the event the Mortgagee at any time holds additional security for any of the indebtedness secured by this Mortgage, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before or concurrently with exercising remedies under this Mortgage or after a sale is made hereunder.

Section 4.8. No Mortgagee in Possession. Nothing herein contained shall be construed as constituting the Mortgagee a mortgagee in possession.

Section 4.9. Waiver of Certain Rights. The Mortgagor shall not and will not apply for or avail itself of any appraisement, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but rather waives the benefit of such laws. The Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. The Mortgagor hereby waives any and all rights of redemption under any applicable law, including, without limitation, redemption from sale or from or under any order, judgment or decree of foreclosure, pursuant to rights herein granted, on behalf of the Mortgagor and all persons beneficially interested therein and each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of the laws of the State in which the Premises are located. THE MORTGAGOR HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING RELATING TO THIS MORTGAGE.

Section 4.10. Mortgagee's Use of Deposits. With respect to any deposits made with or held by the Mortgagee or any depository pursuant to any of the provisions of this Mortgage, in the event of a default in any of the provisions contained in this Mortgage or any of the other Reimbursement Documents, the Mortgagee may, at its option, without being required to do so, apply any moneys or securities which constitute such deposits on any of the obligations under this Mortgage or the other Reimbursement Documents, in such order and manner as the Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to the Mortgagor. Such deposits are hereby pledged as additional security for the prompt payment of any and all amounts payable to the Mortgagee under the Reimbursement Agreement and the other Reimbursement Documents and any other indebtedness hereunder and shall be held to be irrevocably applied by the depository for the purposes for which made hereunder and shall not be subject to the direction or control of the Mortgagor.

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ARTICLE V

MISCELLANEOUS

Section 5.1. Recitals. The recitals hereto are hereby made a part of this Mortgage.

Section 5.2. Time of Essence. Time is of the essence of this Mortgage and of each and every provision hereof.

Section 5.3. Usury. The Mortgagor hereby represents and covenants that the proceeds of any drawing on the Letter of Credit will be used to pay principal of or interest on the Bonds. The proceeds of the Bonds were loaned to the Mortgagor and used for the purposes specified in subparagraph 1(c) contained in Section 205/4 of Chapter 815 of the Illinois Compiled Statutes (1994), and the indebtedness secured hereby constitutes a "business loan" within the meaning of that Section.

Section 5.4. Lien for Service Charges and Expenses. At all times, regardless of whether any sums have been drawn under the Letter of Credit, this Mortgage secures (in addition to any sums drawn under the Letter of Credit from time to time) the payment of any and all origination fees, letter of credit fees, draw fees, service charges, liquidated damages, expense and advances due to or incurred by the Mortgagee in connection with the reimbursement obligations and loans to be secured hereby, all in accordance with the Reimbursement Agreement and the other Reimbursement Documents.

Section 5.5. Subrogation. To the extent that proceeds of the indebtedness secured by this Mortgage are used to pay any outstanding lien, charge or prior encumbrance against the Premises, the Mortgagee shall be subrogated to any and all rights and liens owned by any owner or holder of such outstanding liens, charges and prior encumbrances, and shall have the benefit of the priority thereof, irrespective of whether said liens, charges or encumbrances are released.

Section 5.6. Recording. The Mortgagor shall cause this Mortgage and all other documents securing the indebtedness secured by this Mortgage at all times to be properly filed and/or recorded at the Mortgagor's own expense and in such manner and in such places as may be required by law in order to fully preserve and protect the rights of the Mortgagee.

Section 5.7. Further Assurances. The Mortgagor will do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or advisable, in the judgment of the Mortgagee, for the better assuring, conveying, mortgaging, assigning and confirming unto the Mortgagee all property mortgaged hereby or property intended so to be, whether now owned by the Mortgagor or hereafter acquired.

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Section 5.8. No Defenses. No action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law under the Reimbursement Agreement.

Section 5.9. Invalidity of Certain Provisions. If the lien of this Mortgage is invalid or unenforceable as to any part of the indebtedness secured by this Mortgage, or if such lien is invalid or unenforceable as to any part of the Premises, the unsecured or partially secured portion of the indebtedness secured by this Mortgage shall be completely paid prior to the payment of the remaining and secured or partially secured portion thereof, and all payments made on the indebtedness secured by this Mortgage, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion thereof which is not secured or fully secured by the lien of this Mortgage.

Section 5.10. Illegality of Terms. Nothing herein or in the Reimbursement Documents contained nor any transaction related thereto shall be construed or shall so operate either presently or prospectively, (i) to require the Mortgagor to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate, or (ii) to require the Mortgagor to make any payment or do any act contrary to law; and if any provision herein contained shall otherwise so operate to invalidate this Mortgage, in whole or in part, then such provision only shall be held for naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect, and the Mortgagee shall be given a reasonable time to correct any such error.

Section 5.11. Mortgagee's Right to Deal with Transferee. In the event of the voluntary sale, or transfer by operation of law, or otherwise, of all or any part of the Premises, the Mortgagee is hereby authorized and empowered to deal with such vendor or transferee with reference to the Premises, or the debt secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might with the Mortgagor, without in any way releasing or discharging the Mortgagor from the covenants and/or undertakings hereunder, specifically including Section 2.12(d) hereof, and without the Mortgagee waiving its rights to declare an Event of Default as set forth in Section 2.12(d).

Section 5.12. Releases. The Mortgagee, without notice, and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens, may release any part of the Premises, or any person liable for any indebtedness secured hereby, without in any way affecting the liability of any party to the Mortgage, the other Reimbursement Documents, or any guaranty or other document given as additional security for the indebtedness secured hereby and without in any way affecting the

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priority of the lien of this Mortgage, and may agree with any party obligated on said indebtedness to extend the time for payment of any part or all of the indebtedness secured hereby. Such agreement shall not, in any way, release or impair the lien created by this Mortgage, or reduce or modify the liability, if any, of any person or entity personally obligated for the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest in said security which interest is subject to the indebtedness secured by this Mortgage.

Section 5.13. Giving of Notice. All communications provided for herein shall be in writing and shall be deemed to be given or made when delivered if delivered personally or by commercial courier, or five days after deposit in the United States mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

If to the Mortgagor: CenterPoint Properties Corporation
401 North Michigan Avenue
30th Floor
Chicago, Illinois 60611

Attention: John S. Gates and
Paul Fisher

If to the Mortgagee: The Royal Bank of Scotland plc
Wall Street Plaza
88 Pine Street
26th Floor
New York, New York 10005-1801

Attention: Derek I. Bonnar

or to such party at such other address as such party may designate by notice duly given in accordance with this Section to the other party.

Section 5.14. Binding Effect. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and assigns (including, without limitation, each and every from time to time record owner of the Premises or any other person having an interest therein), and shall inure to the benefit of the Mortgagee and its successors and assigns. Wherever herein the Mortgagee is referred to, such reference shall be deemed to include the holder from time to time of the Reimbursement Agreement, whether so expressed or not; and each such holder of the Reimbursement Agreement shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce all and every of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such from time to time holder were herein by name specifically granted such rights, privileges, powers, options and benefits and was herein by name designated the Mortgagee.

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Section 5.15. Covenants to Run with the Land. All the covenants hereof shall run with the land.

Section 5.16. Entire Agreement. This Mortgage sets forth all of the covenants, promises, agreements, conditions and understandings of the parties relating to the subject matter of this Mortgage, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are herein set forth.

Section 5.17. Governing Law; Severability; Modification. This Mortgage shall be governed by the laws of the State of Illinois. In the event that any provision or clause of this Mortgage conflicts with applicable laws, such conflicts shall not affect other provisions hereof which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable. This Mortgage and each provision hereof may be modified, amended, changed, altered, waived, terminated or discharged only by a written instrument signed by the party sought to be bound by such modification, amendment, change, alteration, waiver, termination or discharge.

Section 5.18. Meanings. Wherever in this Mortgage the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

Section 5.19. Captions. The captions or headings at the beginning of each Article and Section hereof are for the convenience of the parties and are not a part of this Mortgage.

Section 5.20. Approval or Consent of Mortgagee. Wherever in this Mortgage provision is made for the approval or consent of the Mortgagee, or that any matter is to be to the Mortgagee's satisfaction, or that any matter is to be as estimated or determined by the Mortgagee, or the like, unless specifically stated to the contrary, such approval, consent, satisfaction, estimate, determination or the like shall be made, given or determined by the Mortgagee pursuant to a reasonable application of judgment in accordance with institutional lending practice and commercial custom in connection with major real estate loans.

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IN WITNESS WHEREOF, the Mortgagor has caused this instrument to be executed as of the date first above written.

CENTERPOINT PROPERTIES CORPORATION, a Maryland corporation

By Paul S. Smith
Its: Executive Vice President

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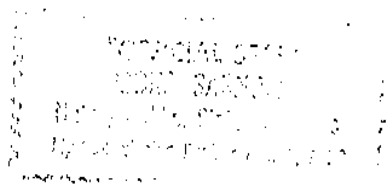
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STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

The foregoing instrument was acknowledged before me this
18 day of March, 1996, by John S. Eric M.
Am of CenterPoint Properties Corporation,
a Maryland corporation.

[Signature]
Notary Public



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EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

Parcel 1:

LOTS 1 AND 2 IN TACO BELL RESUBDIVISION, BEING A RESUBDIVISION OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COCK COUNTY, ILLINOIS.

Parcel 2:

EASEMENT FOR THE BENEFIT OF PARCEL 1 FOR INGRESS AND EGRESS AS CREATED BY EASEMENT AND LICENSE AGREEMENT DATED APRIL 30, 1987 AND RECORDED MAY 8, 1987 AS DOCUMENT 87250925 AND AMENDED BY FIRST AMENDMENT RECORDED NOVEMBER 15, 1988 AS DOCUMENT 88526155 MADE BY BOULEVARD BANK NATIONAL ASSOCIATION, AS TRUSTEE UNDER TRUST AGREEMENT DATED OCTOBER 10, 1986 AND KNOWN AS TRUST NUMBER 8365 AND BETWEEN MCDONALD'S CORPORATION OVER THE FOLLOWING DESCRIBED PROPERTY:

THE EAST 193.53 FEET (AS MEASURED ALONG THE EAST LINE) OF LOT 285 IN CENTEX INDUSTRIAL PARK UNIT 165, BEING A SUBDIVISION OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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EXHIBIT B

SCHEDULE OF LEASES

1400 Busse Road, Elk Grove Village, Illinois

| LESSOR | LESSEE | DATE OF LEASE | PREMISES |
|---|---|---|---|
| Boulevard Bank National Association Trust No. 8365, dated October 10, 1986 | Field Container Company, L.P. | February 2, 1987 First Amendment to Lease August 31, 1993 | Entire Warehouse Portion of Building |
| Boulevard Bank National Association Trust No. 8365, dated October 10, 1986 | Taco Bell Corp. | May 11, 1987 Addendum to Lease dated May 15, 1987 | Lot Consisting of approximately .5853 acres |
| CenterPoint Properties Corporation | Castle Foods, Inc. d/b/a Bagel King, Inc. | August 31, 1994 | 1410 Busse Road |
| CenterPoint Properties Corporation | Ajay Shah | January 1, 1996 | 1414 Busse Road |
| Boulevard Bank National Additional Association Trust No. 8365, dated October 10, 1986 | Illinois Footwear Company d/b/a Lebos Shoes | September __, 1991 | 1428 Busse Road |
| Boulevard Bank National Association Trust No. 8365, dated October 10, 1986 | Lucky Star Restaurant, Inc. | April 5, 1992 | 1440 Busse Road |

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| | | | |
|---|--------------------------------------|-------------------|-------------------------------|
| Boulevard Bank National Association Trust No. 8365, dated October 10, 1986 | E.B. & G.B., Inc. d/b/a Signs Now | September 1, 1991 | 1432 Busse Road |
| CenterPoint Properties Corporation | Subway Real Estate Corp. | December 1, 1995 | 1434 Busse Road |
| CenterPoint Properties Corporation | Hair by Fiore, Ltd. | October 3, 1995 | 1400 Busse Road, Unit 1436 |

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EXHIBIT C

ADDITIONAL PERMITTED ENCUMBRANCES

1. Building line as shown on the plat of subdivision recorded September 27, 1968 as Document 20629282.
2. Easement for public utilities and drainage as shown on the plat of said subdivision.
3. Easements for public utilities, sewer, water and drainage as shown on the plat of subdivision.
4. Easement as granted to the Illinois Bell Telephone Company and the Commonwealth Edison Company and their respective successors and assigns and as shown on plat of subdivision recorded September 27, 1968 as Document 20629282.
5. Easement as granted to the Northern Illinois Gas Company, its successors and assigns by plat of subdivision recorded September 27, 1968 as Document 20629282.
6. Covenants and restrictions contained in Deed from Chicago Title and Trust Company as Trustee under Trust Number 44344 to Underwriters Salvage Company of Chicago, a corporation of Illinois, dated December 4, 1968 and recorded December 10, 1968 as Document 20700192.
7. License Agreement recorded May 28, 1987 as Document 87288266 and First Amendment to License Agreement recorded November 15, 1989 as Document 88526155.
8. Easement over the land as shown on plat for the purpose of installing and maintaining all equipment necessary to serve the subdivision and other land with telephone and electric service as shown on the plat of subdivision recorded November 5, 1987 as Document 87598938.
9. Easement over the land as shown on plat for the purpose of installing and maintaining all equipment necessary to serve the subdivision and other land with gas service as shown on the plat of subdivision recorded November 5, 1987 as Document 87598938.
10. An easement for public utilities, sewer, water, drainage and cable TV as shown on the plat of Taco Bell Resubdivision recorded November 5, 1987 as Document 87598538.
11. As easement for ingress and egress over those parts of Lots 1 and 2 as shown on the plat of resubdivision recorded November 5, 1987 as Document 87598938.

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12. Easement and license agreement dated April 30, 1987 and recorded May 8, 1987 as Document 87250925.

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