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LEASEHOLD MORTGAGE
(with Security Agreement)

THIS LEASEHOLD MORTGAGE ("Mortgage") is made as of September 5, 1997 by and between The Broadway, L.L.C., an Illinois limited liability company ("Mortgagor"), and LA SALLE NATIONAL BANK, a national banking association ("Mortgagee").

WITNESSETH:

THAT, WHEREAS Mortgagor owns legal title to a leasehold estate (the "Leasehold") in the real estate (including both land and improvements) located in the City of Chicago, Cook County, Illinois, described in Exhibit A attached hereto (the "Property"), pursuant to that certain lease of land and improvements (referred to herein for ease of reference as the "Ground Lease", even though said lease is a lease of land and improvements), dated July 1, 1997 by and between Jefferson State Bank as Trustee under a trust agreement dated December 14, 1984 and known as Trust No. 25-6834, as lessor (the term "Ground Lessor" when used herein shall mean the lessor from time to time under said lease), and Mortgagor, as lessee, a memorandum of which has been recorded on July 22, 1997 as Document 97527191;

WHEREAS, Mortgagor is executing this Mortgage as security for that certain Note made by Mortgagor of even date herewith in the original principal amount of \$16,300,000 (the "Note") and all other indebtedness evidenced or secured by the Loan Documents (defined below) with the intention that Mortgagee shall have a first priority lien in all right, title or interest now owned or hereafter acquired by Mortgagor, and its respective successors and assigns, in the Property subject only to the permitted exceptions described in Exhibit B attached hereto;

NOW, THEREFORE, Mortgagor for good and valuable consideration and in consideration of said debt and to secure the payment of both principal and interest thereof, in accordance with the terms and provisions of the Note and in accordance with the terms, provisions and limitations of this Mortgage, and to secure the performance of the covenants and agreements herein and in the Note contained, to be performed by Mortgagor, does by these presents irrevocably CONVEY, WARRANT and Mortgage unto Mortgagee, its successors and assigns, all estate, right, title and interest, now owned or hereafter acquired by Mortgagor in the Property;

TOGETHER WITH, all rents, issues, profits, royalties, income and other benefits by Mortgagor derived from the Property (collectively the "rents"), subject to the right, power and authority hereinafter given to Mortgagee to collect and apply such rents;

TOGETHER WITH, all leasehold estate, right, title and interest of Mortgagor in and to all leases or subleases covering the Property or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Mortgagor thereunder, including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

TOGETHER WITH, all right, title and interest of Mortgagor in and to all options to purchase or lease the Property or any portion thereof or interest therein, and any greater estate in the Property owned or hereafter acquired;

TOGETHER WITH, all interests, estate or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Property;

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TOGETHER WITH, all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water rights and shares of stock evidencing the same;

TOGETHER WITH, all right, title and interest of Mortgagor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and gores or land adjacent to or used in connection with the Property;

TOGETHER WITH, any and all buildings and improvements now or hereafter erected thereon, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements (the "Improvements"), but excluding personal property and equipment owned by subtenants;

TOGETHER WITH, all right, title and interest of Mortgagor in and to all tangible personal property (the "Personal Property") owned by Mortgagor and now or at any time hereafter located on or at the Property or used in connection therewith, including, but not limited to, all fixtures, attachments, goods, machinery, tools, insurance proceeds, equipment (including fire sprinklers and alarm systems, office air conditioning, heating, refrigerating, electronic monitoring, entertainment, recreational, window or structural cleaning rigs, maintenance, exclusion of vermin or insects, removal of dust, refuse or garbage and all other equipment of every kind), lobby and all other indoor or outdoor furniture (including tables, chairs, planters, desks, sofas, shelves, lockers and cabinets), wall beds, wall safes, furnishings, appliances (including ice boxes, refrigerators, fans, heaters, stoves, water heaters and incinerators), inventory, rugs, carpets and other floor coverings, draperies and drapery rods and brackets, awnings, window shades, venetian blinds, curtains, lamps, chandeliers and other lighting fixtures and office maintenance and other supplies; and

TOGETHER WITH, all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereinafter acquire in the Property, and any and all awards made for the taking of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Premises (as hereinafter defined), including without limitation any awards resulting from a change of grade of streets and awards for severance damages.

The entire leasehold estate and interest hereby conveyed to Mortgagee (or hereafter acquired by Mortgagor and subjected to this Mortgage by operation of the terms hereof or amendments hereto) may hereafter be referred to as the "Premises." As to any of the property aforesaid which (notwithstanding the aforesaid declaration and agreement) does not so form a part and parcel of the real estate, this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as a Secured Party (as said term is defined in the Uniform Commercial Code), securing said indebtedness and obligations.

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

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IT IS FURTHER UNDERSTOOD AND AGREED THAT:

Definitions

1. As used herein, the following terms shall have the following meanings:

"Act" shall mean the Illinois Mortgage Foreclosure Law, as amended from time to time;

"restore" shall include "repair", "rebuild", and "replace", as the context may require;

"restoration" shall mean "repair", "rebuilding" and "replacement", as the context may require;

"Impositions" shall mean general taxes, special taxes, special assessments, water charges, sewer service charges, charges for utility services and facilities furnished to the Premises and other charges against the Premises; and

"Loan Agreement" shall mean that certain loan agreement executed this date by and between Mortgagor and Mortgagee.

"Loan Documents" shall have the meaning ascribed to that term in the Loan Agreement.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

Maintenance, Repair and Restoration of Improvements, Payment and Contest of Prior Liens, Etc.

2. (a) Mortgagor shall (i) promptly restore any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (ii) keep the Premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien not expressly subordinated to the lien hereof (collectively called "Liens"), subject, however, to the rights of Mortgagor set forth in Section 2(b) hereof; (iii) pay when due any indebtedness which may be secured by a lien or charge on the Premises on a parity with or superior to the lien hereof and comply with all requirements of all loan documents evidencing or securing such indebtedness, and upon request, exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (iv) complete within a reasonable time any building or buildings or any improvements now or at any time in the process of erection upon the Premises in a good workmanlike manner; (v) comply with all requirements of law, municipal ordinances, or restrictions of record with respect to the Premises and the use thereof; (vi) make no material alterations in the Premises except as required by law or municipal ordinance or as contemplated by the Loan Agreement; (vii) suffer or permit no change in the general nature of the occupancy of the Premises, without Mortgagee's prior written consent, exempt as contemplated by the Loan Agreement; (viii) initiate or acquiesce in no zoning variation or reclassification, without Mortgagee's prior written consent; (ix) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the Note; (x) not to permit or cause any waste or deterioration of the Premises, ordinary wear and tear excluded; and (xi) to comply with all provisions of the Ground Lease.

(b) Anything in Section 2(a)(ii) of this Mortgage to the contrary notwithstanding, Mortgagor may, after complying with all applicable provisions of the Ground Lease, in good faith and

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with reasonable diligence, contest the validity or amount of any Lien not expressly subordinated to the lien hereof, and defer payment and discharge thereof during the pending of such contest, provided: (i) that such contest shall have the effect of preventing the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy such Lien; (ii) that, within ten (10) business days after Mortgagor has been properly notified of the assertion of such Lien, Mortgagor shall have notified Mortgagee in writing of Mortgagor's intention to contest such Lien; and (iii) that Mortgagor shall have either (a) deposited with Mortgagee at such place as Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the place of payment designated in the Note, a sum of money which shall be sufficient in the sole judgment of Mortgagee to pay in full such Lien and all interest which might become due thereon, and shall keep on deposit an amount so sufficient at all times, increasing such amount to cover additional interest whenever, in the sole judgment of Mortgagee, such increase is advisable (such deposits to be held without any allowance of interest), or (b) caused such Lien to be insured over on Bark's title insurance policy.

If Mortgagor elects to deposit money with Mortgagee as provided above rather than causing any Lien to be insured over on Mortgagee's title insurance policy, then in case Mortgagor shall fail to prosecute such contest with reasonable diligence or shall fail to pay the amount of the Lien plus any interest finally determined to be due upon the conclusion of such contest, to the extent such amount exceeds the amount which Mortgagee will pay as provided below, or shall fail to maintain sufficient funds on deposit as hereinabove provided, Mortgagee may, at its option, apply the money so deposited in payment of or on account of such Lien, or that part thereof then unpaid, together with all interest thereon. If the amount of money so deposited shall be insufficient for the payment in full of such Lien, together with all interest thereon, Mortgagor shall forthwith, upon demand, deposit with Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payment in full. Mortgagee shall, upon the final disposition of such contest, apply the money so deposited in full payment of such Lien or that part thereof then unpaid, together with all interest thereon (provided Mortgagor is not then in default hereunder) when so requested in writing by Mortgagor and when furnished by Mortgagor with sufficient funds to make such payment in full and with evidence satisfactory to Mortgagee of the amount of payment to be made.

Payment of Taxes and Other Impositions

3. Mortgagor shall pay before any penalty attaches all general taxes, and shall pay all other Impositions when due, and shall, upon written request, furnish to Mortgagee duplicate receipts therefor, within 15 days of said request. Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any taxes or assessments provided: (1) that such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy the same; (2) that Mortgagor has, before such taxes or assessments shall have been increased by any interest, penalties or costs, properly notified Mortgagee in writing of the intention of Mortgagor to contest the same; and (3) that Mortgagor shall have paid such taxes in full under protest.

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Tax Deposits

4. If Mortgagee requests, Mortgagor shall deposit at such place as Mortgagee may from time to time in writing appoint, and in the absence of such appointment then at the office of LaSalle National Bank in Chicago, Illinois, on or before the first day of each month an amount sufficient in Mortgagee's determinations to assure that the amount of Mortgagee shall at all times be sufficient to pay each tax bill before the due date thereof. Such deposits shall be held without any allowance of interest and are to be used for the payment of such taxes and assessments (general and special) when they become due and payable. If the funds so deposited are insufficient to pay any such taxes or assessments (general and special) for any year when the same shall become due and payable, Mortgagor shall, within ten (10) days after receipt of demand therefor, deposit such additional funds as may be necessary to pay such taxes and assessments (general and special) in full.

Insurance and Premium Deposits

5. (a) Mortgagor shall maintain (or, where applicable, cause subtenants to maintain) casualty, liability and other policies of insurance relating to the Premises as required under Section 2.7 of the Loan Agreement. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts satisfactory to Mortgagee, and shall, at all times prior to and during foreclosure and at any time prior to confirmation of the foreclosure sale, bear mortgage clauses or other loss payable clauses in favor of Mortgagee to be attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without ten (10) days prior written notice to Mortgagee. Mortgagor shall deliver all policies, including additional and renewal policies, together with evidence of payment of premiums thereon, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to their respective dates of expiration.

(b) Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard, non-contributory Mortgagee clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the original policy or policies of such insurance.

(c) Mortgagor covenants and agrees to deposit, if Mortgagee requests, at such place as Mortgagee may from time to time in writing appoint, and, in the absence of such appointment, then at the office of LaSalle National Bank in Chicago, Illinois, commencing on the day that Mortgagee requests insurance premium deposits to commence, and on the first day of each month thereafter until the indebtedness secured by this Mortgage is fully paid, an installment of the premium or premiums that will become due and payable to renew the insurance as required in Section 5(a) hereof. Each of such installments shall be in an amount which, by the payment of approximately equal installments, will result in there accumulating in the hands of the depository a sufficient amount to pay renewal premiums upon such policies of insurance, at least one month prior to the expiration date or dates of the policy or policies to be renewed; such deposits to be held without any allowance of interest and to be used for renewal of such insurance policies. If the funds so deposited

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are insufficient to pay all premiums for such renewals, Mortgagor shall within ten (10) days after receipt of demand therefor deposit such additional funds as may be necessary to pay such premiums. If the funds so deposited exceed the amount required to pay such premiums, the excess shall be applied on a subsequent deposit or deposits.

Mortgagee's Interest in and Use of Deposits

6. In the event of a default in any of the provisions contained in this Mortgage or in the Note, Mortgagee may at its option, without being required to do so, apply any moneys at the time on deposit pursuant to any provision of this Mortgage, as any one or more of the same may be applicable, on any of Mortgagor's obligations herein or in the Note contained, in such order and manner as Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Premises. Such deposits are hereby pledged as additional security for the 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 Mortgagor; provided, however, that neither Mortgagee nor said depository shall be liable for any failure to apply to the payment of taxes and assessments or insurance premiums any amount so deposited unless Mortgagor, while not in default hereunder, shall have requested said depository in writing to make application of such funds to the payment of the particular taxes or assessments or the payment of the particular insurance premiums as the case may be for payment of which they were deposited, accompanied by the bills for such taxes and assessments or insurance premiums.

Adjustment of Losses with Insurer and Application of Proceeds of Insurance

7. Adjustment of losses shall be as required under Section 2.20 of the Loan Agreement. In case of the occurrence of any default (including the expiration of applicable grace and cure periods) under this Mortgage which would entitle Mortgagee to declare the whole of the principal sum secured hereby to become due and payable in accordance with Section 14 of this Mortgage, whether or not such default shall have occurred after Mortgagor may theretofore have commenced restoration or let contracts or otherwise obligated itself for the payment of any of the costs thereof or may theretofore otherwise have become entitled to receive reimbursement out of insurance proceeds, and whether or not foreclosure proceedings may have commenced, Mortgagee shall be relieved of any obligation for reimbursement of Mortgagor, and the proceeds of any such insurance policy or policies, if not theretofore applied to reimbursement for restoration, then may, at the option of Mortgagee, be applied: (a) in payment or reduction of the indebtedness secured hereby; or (b) in payment or reduction of the amount due in accordance with any judgment of foreclosure and any supplemental judgments that may be entered in any such proceedings; or (c) to payments directly to persons furnishing and supplying labor, services and materials for such restoration, and the balance, if any, after full payment and satisfaction of all such indebtedness, shall be paid to the owner of redemption if it shall then be entitled to the same or as the court may direct. In case of the foreclosure of this Mortgage, the court in its judgment may provide that the judgment creditor may cause a new or additional loss clause to be attached to each of said policies making the loss thereunder payable to said judgment creditor; and any such foreclosure judgment may further provide unless the right of redemption has

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been waived pursuant to Section 15-1601(b) of the Act, that in case of redemption under said judgment, pursuant to the Act, then, and in every such case, the redepton may cause the preceding loss clause attached to each insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redepton. In the event of foreclosure sale, Mortgagee is hereby authorized, but not required, without the consent of Mortgagor, to assign or cause a receiver to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

Stamp Tax

8. If, by the laws of the United States of America, or of any state having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the issuance of the Note, or recording of this Mortgage, Mortgagor covenants and agrees to pay such tax in the manner required by any such law. Mortgagor further covenants to hold harmless and agrees to indemnify Mortgagee, its successors or assigns, against any and all liability incurred by reason of the imposition of any tax on the issuance of the Note, or recording of this Mortgage.

Effect of Extensions of Time and Amendments

9. If the payment of the indebtedness secured by this Mortgage or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release. Any person or entity taking a junior mortgage or other lien upon the Premises or any interest therein, shall take said lien subject to the rights of Mortgagee herein to amend, modify, and supplement this Mortgage, the Note, and each of the Loan Documents, and to vary the rate of interest on the loan and the method of computing the same, and to impose additional fees and other charges, and to extend the maturity of the loan, and to grant partial releases of the lien of this Mortgage, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien. Nothing in this Section contained shall be construed as waiving any provision contained herein which provides, among other things, that it shall constitute an Event of Default if the Premises be sold, conveyed, or encumbered.

Effect of Changes in Laws Regarding Taxation

10. In the event of the enactment after this date of any law of the state in which the Premises are located deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by 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 property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the Holders, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee (a) it might be unlawful to

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require Mortgagor to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then, and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

Mortgagee's Performance of Defaulted Acts; Subrogation; and Mortgagee's Remedies With Respect to Various Advances

11. (a) In case of default therein (and, except in the event of an emergency or other exigent circumstances, the expiration of applicable grace and cure periods), Mortgagee may, but need not, make any payment or perform any act in this Mortgage or in any loan documents evidencing or securing the indebtedness secured hereby or any indebtedness secured by a senior Mortgage or other prior encumbrance, required of Mortgagor, in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on such prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or contest any tax or assessment.

(b) Satisfaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. Should the proceeds of the Note or any part thereof, or any amount paid out or advanced hereunder by Mortgagee, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any senior Mortgage (as described in Subsection (a) of Section 15-1505 of the Act) or other lien or encumbrance upon the Premises or any part thereof on a parity with or prior or superior to the lien hereof ("Prior Encumbrance"), then as additional security hereunder, the Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

(c) In the event Mortgagee shall elect, pursuant to subsection (a) of this Section 11 to undertake to perform Mortgagor's obligations for restoration as required of Mortgagor by Section 7 or Section 20 of this Mortgage, Mortgagee shall not be required to restore the improvements to any greater extent than will be covered by available proceeds or estimated proceeds of insurance or condemnation award. Any estimate of available proceeds may be made if at such time as Mortgagee is prepared to arrange for plans, solicit bids, let a contract, or otherwise proceed with restoration, the loss may not have been adjusted with insurers or the court may not have finally determined the amount of a condemnation award. If Mortgagee shall have expended any amount for restoration in excess of the actual or estimated proceeds of insurance or condemnation award for the purpose of such repair or replacement, the amount of such excess ("Excess Restoration Cost") so expended by Mortgagee shall constitute additional indebtedness hereunder and shall be secured by the lien hereof.

(d) All advances, disbursements and expenditures (collectively "advances") made by Mortgagee before and during foreclosure, prior to sale, and where applicable, after sale, for the following purposes, including interest thereon at the post maturity rate, are hereinafter referred to as "Protective Advances";

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(1) Advances pursuant to Subsection A and Subsection C of this Section 11.

(2) Excess Restoration Costs;

(3) Advances in accordance with the terms of this Mortgage to: (a) protect, preserve or restore the Mortgaged real estate; (b) preserve the lien of this Mortgage or the priority thereof; or (c) enforce this Mortgage, as referred to in Subsection (b) (5) of Section 15-1302 of the Act;

(4) Payments of when due installments of principal, interest or other obligations in accordance with the terms of any Prior Encumbrance; when due installments of real estate taxes and other Impositions; other obligations authorized by this Mortgage; or, with court approval any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, all as referred to in Subsection A. of this Section of this Mortgage and in Section 15-1505 of the Act;

(5) Reasonable attorneys' fees and other costs incurred in connection with: (a) exercise of Mortgagee's rights to make Protective Advances; (b) the foreclosure of this Mortgage as referred to in Sections 1504 (d) (2) and 15-1510 of the Act; (c) any other litigation or administrative proceeding to which the Mortgagee may be or become or be threatened or contemplated to be a party, including probate and bankruptcy proceedings; or (d) in the preparation for the commencement or defense of any such suit or proceeding; including filing fees, appraisers' fees, outlays for documents and expert evidence, witness fees, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of judgment) of procuring all such abstracts of title, title charges and examinations, foreclosure minutes, title insurance policies, Torrens certificates, appraisals, and similar data and assurances with respect to title and value as Mortgagee may deem reasonably necessary either to prosecute or defend such suit or, in case of foreclosure, to evidence to bidders at any sale which may be had pursuant to the foreclosure judgment the true condition of the title to or the value of the Premises;

(6) Mortgagee's fees and costs arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b) (1) of Section 15-1508 of the Act;

(7) Payment by Mortgagee of Impositions as required by Sections 3 and 4 of this Mortgage;

(8) Mortgagee's advances of any amount required to make up a deficiency in deposits for installments of Impositions, as required by Sections 3 and 4 of this Mortgage;

(9) Expenses deductible from proceeds of sale referred to in Subsections (a) and (b) of Section 15-1512 of the Act.

(10) Expenses incurred and expenditures made by Mortgagee for any one or more of the following: (a) rentals or other payments required to be made by the lessee under the terms of any lease or sublease; (b) premiums upon casualty and liability insurance made by Mortgagee whether or not Mortgagee or a receiver is in possession, if

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reasonably required without regard to the limitation to maintaining of insurance in effect at the time any receiver or Mortgagee takes possession of the Premises imposed by Subsection (c)(1) of Section 15-1704 of the Act;

(c) expenditures in connection with restoration in excess of available insurance proceeds or condemnation awards;

(d) payments required or deemed by Mortgagee to be for the benefit of the Premises or required to be made by the owner of the Premises under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Premises; (e) shared or common expense assessments payable to any association or corporation in which the owner of the Premises is a member in any way affecting the Premises; (f) operating deficits incurred by Mortgagee in possession or reimbursed by Mortgagee to any receiver; (g) costs incurred by Mortgagee for completion of construction as may be authorized by the Loan Agreement; and (h) any monies expended in excess of the Note as recited in Subsection (d) of said Section 34.

All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon at the Default Rate (as such term is defined in the Note).

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time the Mortgage is recorded pursuant to Subsection (b)(5) of Section 15-1302 of the Act.

The Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to:

(a) Determination of amount of indebtedness secured by this Mortgage at any time;

(b) Inclusion of the same in the indebtedness found due and owing to the Mortgagee in the judgment of foreclosure and any subsequent amendment of such judgment, supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being hereby agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(c) If right of redemption has not been waived by this Mortgage, computation of amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 15-1603 of the Act;

(d) Determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act;

(e) Application of income in the hands of any receiver or Mortgagee in possession; and

(f) Computation of any deficiency judgment pursuant to Subsections (e) and (b)(2) of Section 15-1508 and Section 15-1511 of the Act.

Mortgagee's Reliance on Tax Bills, Etc.

12. Mortgagee in making any payment hereby authorized:
(a) relating to taxes and assessments, may do so according to any

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bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

Acceleration of Indebtedness in Case of Default

13. If (a) default be made in the due and punctual payment of the Note, or any installment due in accordance with the terms thereof, either of principal or interest, and the expiration of any applicable grace or cure periods; (b) the Ground Lease is terminated or rejected; or (c) default shall be made in the due observance or performance of any other of the covenants, agreements or conditions hereinbefore or hereinafter contained, required to be kept or performed or observed by Mortgagor or any Affiliated Person and the same shall continue for ten (10) days after written notice in the case of a covenant, agreement or condition curable by the payment of money or thirty (30) days after written notices as to any other such default, provided that if any such non-monetary default is reasonably susceptible of cure but not within thirty (30) days, so long as Mortgagor commences such cure promptly and thereafter diligently pursues such cure to completion, such cure period shall be extended for sixty (60) additional days, or (d) any "Event of Default" as described in any other provision of this Mortgage or in the Loan Agreement occurs, then and in every such case the whole of said principal sum hereby secured shall, at once, at the option of Mortgagee, become immediately due and payable, together with accrued interest thereon, without notice to Mortgagor. Mortgagee shall be obligated to accept cure by Ground Lessor of any default or event of default (however denominated) within the cure period afforded Mortgagor.

Full or Partial Foreclosure

14. When the indebtedness hereby secured, or any part thereof, shall become due, whether (a) by lapse of time; (b) by acceleration under any of the provisions of the Note, of this Mortgage or of any other instrument evidencing or securing the loan secured hereby; or (c) otherwise; Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof and pursue all remedies afforded to a Mortgagee under and pursuant to the Act. Mortgagee may foreclose upon the Leasehold on the Property in one or in separate actions at the same or separate times. It is further agreed that if default be made in the payment of any part of the secured indebtedness as an alternative to the right of foreclosure for the full secured indebtedness after acceleration thereof, Mortgagee shall have the right to institute partial foreclosure proceedings with respect to the portion of said indebtedness so in default, as if under a full foreclosure, and without declaring the entire secured indebtedness due (such proceeding being hereinafter referred to as a "partial foreclosure"), and provided that if foreclosure judgment has been entered pursuant to a partial foreclosure proceeding, such judgment may be made subject to the continuing lien of this Mortgage for the unmatured part of the secured indebtedness; and it is agreed that such judgment pursuant to a partial foreclosure, if so made, shall not in any manner affect the unmatured part of the secured indebtedness, but as to such unmatured part this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this Section. Notwithstanding the filing of any partial foreclosure or entry of a judgment of

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foreclosure therein, Mortgagee may elect at any time prior to a foreclosure sale pursuant to such judgment, to discontinue such partial foreclosure and to accelerate the secured indebtedness by reason of any uncured default or defaults upon which such partial foreclosure was predicated or by reason of any other defaults, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosures without exhausting the right of full or partial foreclosure sale for any unmatured part of the secured indebtedness, it being the purpose to provide for a partial foreclosure sale of the secured indebtedness for any matured portion of the secured indebtedness without exhausting the power to foreclose and to sell the Premises pursuant to any such partial foreclosure for any other part of the secured indebtedness whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

In connection with any foreclosure of the lien hereof or any action to enforce any other remedy of Mortgagee under this Mortgage, the Note, or any of the other Loan Documents, Mortgagor agrees to pay all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees and costs, appraiser's fees and costs, 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, appraisers' certificates, and similar data and assurances with respect to title and value as Mortgagee may deem reasonably necessary either to 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 and the right to such fees and expenses shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment. 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 fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Premises (including without limitation the occupancy thereof or any construction work performed thereon), including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding whether or not an action is actually commenced, shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate (as defined in the Note) and shall be secured by this Mortgage.

Application of Proceeds of Foreclosure Sale

15. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in accordance with the provisions of Subsection (c) of Section 15-1512 of the Act. The judgment of foreclosure or order confirming the sale shall provide (after application pursuant to Subsections (a) and (b) of said Section 15-1512) for application of sale proceeds in the following order of priority: First, all items not covered by the provisions of said Subsections (a) and (b), which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; and Second, all principal and interest remaining unpaid on the Note.

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Appointment of Receiver

16. In any case in which under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due, or whether before or after the institution of foreclosure proceedings or before or after judgment thereunder, and at all times until confirmation of sale, the court shall appoint a receiver of the Premises whenever Mortgagee when entitled to possession so requests either pursuant to Section 15-1702(a) of the Act or when such appointment is otherwise authorized by operation of law. Such receiver shall have all powers and duties prescribed by Section 15-1704 of the Act, including subject to the terms of the Ground Lease the power to make leases to be binding upon all parties, including the Mortgagor after redemption, the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the Mortgaged real estate after entry of a judgment of foreclosure, all as provided in Subsection (g) of Section 15-1701 of the Act. In addition, subject to the terms of the Ground Lease such receiver shall also have the following powers: (a) to extend or modify any then existing leases, which extensions and modifications 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 hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption, discharge of the Mortgage indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser; and (b) 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 the period of receivership. The court from time to time, either before or after entry of judgment of foreclosure, may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by or included in any judgment of foreclosure or supplemental judgment or other item for which Mortgagee is authorized to make a Protective Advance, and (b) the deficiency in case of a sale and deficiency.

Leasehold Mortgage Covenants

17. (a) Mortgagor will pay or cause to be paid all rent and other charges required under the Ground Lease as and when the same are due and Mortgagor will keep, observe and perform, or cause to be kept, observed and performed, all of the other terms, covenants, provisions and agreements of the Ground Lease on the part of the lessee thereunder to be kept, observed and performed, and will not in any manner, cancel, terminate or surrender, or permit any cancellation, rejection, termination or surrender of the Ground Lease, in whole or in part, or, without the written consent of Mortgagee, either orally or in writing, modify, amend or permit any modification or amendment of any of the terms thereof in any respect, and any attempt on the part of Mortgagor to exercise any such right without such written consent of Mortgagee (which written consent shall not be unreasonably withheld or delayed) shall be null and void and of no effect. Any termination or surrender of the Ground Lease, however caused,

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shall constitute an immediate Event of Default without notice or cure period.

(b) Mortgagor will do, or cause to be done, all things necessary to preserve and keep unimpaired the rights of Mortgagor as lessee under the Ground Lease, and to prevent any default under the Ground Lease, or any termination, surrender, cancellation, forfeiture or impairment thereof, and in the event of the failure of Mortgagor to make any payment required to be made by Mortgagor pursuant to the provisions of the Ground Lease or to keep, observe or perform, or cause to be kept, observed or performed, any of the terms, covenants, provisions or agreements of the Ground Lease, Mortgagor agrees that Mortgagee may (but shall not be obligated to), after notice to Mortgagor (provided, however, that no such notice shall be required to be given after the occurrence of an event of default hereunder or under any of the other Loan Documents, including expiration of applicable grace and cure periods) take any action on behalf of Mortgagor, to make or cause to be kept, observed or performed any such terms, covenants, provisions or agreements and to enter upon the Property and take all such action thereof as may be necessary therefor, to the end that the rights of Mortgagor in and to the Leasehold shall be kept unimpaired and free from default, and all money so expended by Mortgagee, with interest thereon at the Default Rate provided for in Note from the date 10 days after written demand from Mortgagee to Mortgagor, shall be paid by Mortgagor to Mortgagee within 10 days after said demand by Mortgagee and shall be added to the indebtedness secured by this Mortgage and Mortgagee shall have, in addition to any other remedy of Mortgagee, the same rights and remedies in the event of non-payment of any such sum by Mortgagor as in the case of an event of default by Mortgagor in the payment of any sums due under the Note.

(c) Mortgagor will enforce the obligations of Ground Lessor to the end that Mortgagor may enjoy all of the rights granted to it under the Ground Lease, and will promptly notify Mortgagee in writing of any default by Ground Lessor or by Mortgagor in the performance or observance of any of the terms, covenants and conditions on the part of the Ground Lessor or Mortgagor, as the case may be, to be performed or observed under the Ground Lease and Mortgagor will promptly advise Mortgagee in writing of the occurrences of any of the events of default enumerated in the Ground Lease and of the giving of any notice by the Ground Lessor to Mortgagor of any default by Mortgagor in performance or observance of any of the terms, covenants or conditions of the Ground Lease on the part of the Mortgagor to be performed or observed and will deliver to Mortgagee a true copy of each such notice. If, pursuant to the Ground lease, the Ground Lessor shall deliver to Mortgagee a copy of any notice of default given to Mortgagor, such notice shall constitute full authority and protection to Mortgagee for any action taken or omitted to be taken by Mortgagee in good faith in reliance thereon to cure such default.

(d) If any action or proceeding shall be instituted to evict Mortgagor or to recover possession of the Property, Mortgagor will, immediately upon service thereof on or to Mortgagor, deliver to Mortgagee a true copy of each petition, summons, complaint, notice of motion, order to show cause and of all other provisions, pleadings, and papers, however designated, served in any such action or proceeding.

(e) Mortgagor covenants and agrees that unless Mortgagee shall otherwise expressly consent in writing or unless otherwise expressly permitted by this Mortgage, the fee title to

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the property demised by the Ground Lease and the Leasehold shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates either in the Ground Lessor, Mortgagor, or a third party by purchase or otherwise; and in case Mortgagor acquires the fee title or any other estate, title or interest in the Property, this Mortgage shall attach to and cover and be a lien upon the fee title or such other estate so acquired, and such fee title or other estate shall, without further assignment, mortgage or conveyance, become and be subject to the lien of and covered by this Mortgage.

(f) No release or forbearance of any of Mortgagor's obligations under the Ground Lease, pursuant to the Ground Lease, or otherwise, shall release Mortgagor from any of its obligations under this Mortgage, including its obligation with respect to the payment of rent as provided for in the Ground Lease and the performance of all of the terms, provisions, covenants, conditions and agreements contained in the Ground Lease, to be kept, performed and complied with by the tenant therein.

(g) Upon and after the occurrence of an event of default hereunder (including the expiration of applicable grace and cure periods) Mortgagor shall not make any election or give any consent or approval (other than the exercise of a renewal right or extension right) for which a right to do so is conferred upon Mortgagor as lessee under the Ground Lease without Mortgagee's prior written consent. In case of any event of default under this Mortgage (and expiration of applicable grace and cure periods), all such rights, together with the right of termination, cancellation, modification, change, supplement, alteration or amendment of the Ground Lease, all of which have been assigned for collateral purpose to Mortgagee, shall vest in and be exercisable solely by Mortgagee.

(h) Mortgagor will give Mortgagee prompt written notice of the commencement of any arbitration or appraisal proceeding under and pursuant to the provisions of the Ground Lease. Mortgagee shall have the right to intervene and participate in any such proceeding and Mortgagor shall confer with Mortgagee to the extent which Mortgagee reasonably deems necessary for the protection of Mortgagee. Upon the written request of Mortgagee, if an event of default exists hereunder, Mortgagor will exercise all rights of arbitration conferred upon it by the Ground Lease. Mortgagor shall select an arbitrator who is approved in writing by Mortgagee, which approval shall not be unreasonably withheld or delayed, provided, however, that if at the time any such proceeding shall be commenced Mortgagor shall be in default (after expiration of applicable grace or cure periods) in the performance or observance of any covenant, condition or other requirement of the Ground Lease, or of this Mortgage, on the part of Mortgagor to be performed or observed, Mortgagee shall have, and is hereby granted, the sole and exclusive right to designate and appoint on behalf of Mortgagor the arbitrator or arbitrators, or appraiser, in such proceeding.

(i) The lien of this Mortgage shall attach to all of Mortgagor's rights and remedies at any time arising under or pursuant to Subsection 365(h) of the Bankruptcy Code, 11 U.S.C. § 365(h), including, without limitation, all of Mortgagor's rights to remain in possession of the Property.

Mortgagor shall not, without Mortgagee's prior written consent, elect to treat the Ground Lease as terminated under Subsection 365(h)(1) of the Bankruptcy Code, 11 U.S.C. § 365(h)(1). Any such election made without Mortgagee's consent shall be void.

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Mortgagor hereby unconditionally assigns, transfers and sets over to Mortgagee all of Mortgagor's claims and rights to the payment of damages arising from any rejection of the Ground Lease by Ground Lessor or any other fee owner of the Property under the Bankruptcy Code. After notice to Mortgagor, Mortgagee shall have the right to proceed in its own name or in the name of Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of the Ground Lease, including, without limitation, the right to file and prosecute, either in its own name or in the name of Mortgagor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect to Ground Lessor under the Bankruptcy Code. Any action taken by Mortgagee with respect to the immediately preceding sentence shall be taken in cooperation with Mortgagor unless Mortgagee and Mortgagor are unable after good faith negotiations to agree on a joint course of action in which event Mortgagee shall be entitled to take unilateral action. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies and shall continue in effect until all of the obligations secured by this Mortgage shall have been satisfied and discharged in full. Any amounts received by Mortgagee as damages arising out of the rejection of the Ground Lease as aforesaid shall be applied first to all costs and expenses of Mortgagee (including, without limitation, reasonable attorneys' fees) incurred in connection with the exercise of any of its rights or remedies under this Mortgage, then to the other indebtedness secured hereby with the balance payable to Mortgagor. Mortgagor shall, within 10 days after written request by Mortgagee, make, execute, acknowledge and deliver, in form and substance satisfactory to Mortgagee, a UCC Financing Statement (Form UCC-1) and all such additional instruments, agreements and other documents, as may at any time hereafter be required by Mortgagee to effectuate and carry out the assignment made pursuant to this section.

If pursuant to Subsection 365(h)(2) of the Bankruptcy Code, 11 U.S.C. § 365(h)(2), Mortgagor shall seek to offset against the rent reserved in the Ground Lease the amount of any damages caused by the nonperformance by the Ground Lessor of any of its obligations under the Ground Lease after the rejection by Ground Lessor of the Ground Lease under the Bankruptcy Code, Mortgagor shall, prior to effecting such offset, notify Mortgagee of its intent to do so, setting forth the amounts proposed to be so offset and the basis therefor. Mortgagee shall have the right to object to all or any part of such offset that, in the reasonable judgment of Mortgagee, would constitute a breach of the Ground Lease, and in the event of such objection, Mortgagor shall not effect any offset of the amounts so objected to by Mortgagee. Mortgagee shall not unreasonably delay in responding to Mortgagor's notice of intent. Neither Mortgagee's failure to object as aforesaid nor any objection relating to such offset shall constitute approval of any such offset by Mortgagee.

If any action, proceeding, motion or notice shall be commenced or filed in respect of Ground Lessor, the Property or the Ground Lease in connection with any case under the Bankruptcy Code, Mortgagee shall have the option, exercisable upon notice from Mortgagee to Mortgagor, to conduct and control, in cooperation with Mortgagor (unless Mortgagee and Mortgagor are unable to agree, after good faith efforts to do so, on a course of action in which event Mortgagee shall be entitled to take unilateral action) any such litigation with counsel of Mortgagee's choice; provided, however, that if any such action involves only the Ground Lessor for so long as Mortgagor is continuously and diligently pursuing such litigation, Mortgagee's

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sole right shall be to participate in any such litigation. Mortgagee may proceed in its own name or in the name of Mortgagor (in cooperation with Mortgagor unless Mortgagee and Mortgagor are unable to agree, after good faith efforts to do so, on a course of action in which event Mortgagee shall be entitled to take unilateral action) in connection with any such litigation, and Mortgagor agrees to execute any and all powers, authorizations, consents or other documents reasonably required by Mortgagee in connection therewith. Mortgagor shall, upon demand, pay to Mortgagee all costs and expenses (including reasonable attorneys' fees) paid or incurred by Mortgagee in connection with the prosecution or conduct of any such proceedings. Any such costs or expenses not paid by Mortgagor as aforesaid shall be secured by the lien of this Mortgage and shall be added to the principal amount of the indebtedness secured hereby. Mortgagor shall not commence any action, suit, proceeding or case, or file any application or make any motion (unless such motion is for the purpose of protecting the Ground Lease and its value as security for the obligations secured hereby), in respect of the Ground Lease in any such case under the Bankruptcy Code without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed.

Mortgagor shall, after obtaining knowledge thereof, promptly notify Mortgagee of any filing by or against the Ground Lessor of a petition under the Bankruptcy Code. Mortgagor shall promptly deliver to Mortgagee, following receipt, copies of any and all notices, summonses, pleadings, applications and other documents received by Mortgagor in connection with any such petition and any proceedings relating thereto.

If there shall be filed by or against Mortgagor a petition under the Bankruptcy Code and Mortgagor, as lessee under the Ground Lease, shall determine to reject the Ground Lease pursuant to Section 365(a) of the Bankruptcy Code, Mortgagor shall give Mortgagee not less than thirty (30) days' prior notice of the date on which Mortgagor shall apply to the Bankruptcy Court for authority to reject the Ground Lease. Mortgagee shall have the right, but not the obligation, to serve upon Mortgagor within such thirty (30) day period a notice stating that Mortgagee demands that Mortgagor assume and assign the Ground Lease to Mortgagee pursuant to Section 365 of the Bankruptcy Code. If Mortgagee shall serve upon Mortgagor the notice described in the preceding sentence, Mortgagor shall not seek to reject the Ground Lease and shall comply with the demand provided for in the preceding sentence.

(j) Notwithstanding anything to the contrary contained herein, this Mortgage shall not constitute an assignment of the Ground Lease and Mortgagee shall have no liability or obligation thereunder by reason of its acceptance of this Mortgage.

Mortgagee's Right of Possession in Case of Default

18. In any case in which under the provisions of this Mortgage Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due, or whether before or after the institution of foreclosure proceedings or before or after judgment thereunder, and at all times until confirmation of sale, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take and upon Mortgagee's request to be placed by the court in actual possession of the Premises or any part thereof personally, or by its agent or attorneys, as for condition broken and as provided in Subsections (b)(2) and (c) of Section 1701 of

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the Act. In such event, Mortgagee in its discretion may, without force and with process of law, enter upon and take and maintain or may apply to the court in which a foreclosure is pending to be placed in possession of all or any part of said Premises, together with all documents, books, records, papers and accounts of Mortgagor (but such items shall remain available for review by Mortgagor) or then owner of the Premises relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom and may as attorney in fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its reasonable discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power (except to the extent limited by the terms of the Ground Lease): (a) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof; (c) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as to it may reasonably seem judicious; (e) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (f) to receive all of such avails, rents, issues and profits; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor. Without limiting the generality of the foregoing provisions of this Section, Mortgagee shall also have all power, authority and duties as provided in Section 15-1703 of the Act.

Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases, except for liability, loss or damage caused by Mortgagee's gross negligence or wilful misconduct. Should Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured

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hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand.

Mortgagee's Right of Inspection

19. Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

Condemnation

20. Condemnation shall be treated as set forth in Section 2.18 of the Loan Agreement.

Release upon Payment and Discharge of Mortgagor's Obligations;

21. If Mortgagor shall fully pay all principal and interest on the Note, and all other indebtedness secured hereby and comply with all of the other terms and provisions hereof to be performed and complied with by Mortgagor, then this Mortgage shall be null and void. Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby.

Giving of Notice

22. All notices given under this Agreement must be in writing and shall be effectively served (a) upon messenger or hand delivery, (b) if mailed, upon the first to occur of receipt or the expiration of two business days after deposit in certified United States mail, postage prepaid, or (c) if sent by recognized overnight courier, on the business day after sending, in each case sent to the party at its address as follows:

Mortgagor: The Broadway, L.L.C.
c/o Hiffman Shaffer Associates, Inc.
180 North Wacker Drive, Suite 500
Chicago, Illinois 60606-1612
Attention: E. Thomas Collins, Jr.
John L. Shaffer
Richard E. Hulina

Mortgagee: LaSalle National Bank
135 South LaSalle Street
Chicago, Illinois 60603
Attn: Commercial Real Estate Department

Those addresses may be changed by either party by notice to the other party.

Waiver of Defense; Remedies Not Exclusive

23. 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 same in an action at law upon the Note. 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 other agreement or any laws now or hereafter in force, notwithstanding some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by Mortgage, deed of trust, security agreement, letter of credit, 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 Mortgagee's right to realize upon or enforce

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any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and 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 hereby to 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 Mortgagee and Mortgagee may pursue inconsistent remedies. No waiver of any default of the Mortgagor hereunder shall be implied from any omission by the Mortgagee or Holders to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. No acceptance of any payment of any one or more delinquent installments which does not include interest at the penalty or post maturity rate from the date of delinquency, together with any required late charge, shall constitute a waiver of the right of Mortgagee or Holders at any time thereafter to demand and collect payment of interest at such post maturity or penalty rate or of late charges, if any.

Waiver of Statutory Rights

24. Mortgagor shall not and will not apply for or avail itself of any appraisal, 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 hereby waives the benefit of such laws. 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. Mortgagor acknowledges that the Premises do not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act. Mortgagor hereby waives any and all right of redemption pursuant to Section 15-1601 (b) of the Act.

Binding on Successors and Assigns

25. This Mortgage and all provisions hereof shall be binding upon Mortgagor and all persons claiming under or through Mortgagor, and shall inure to the benefit of the Holders from time to time and of the successors and assigns of the Mortgagee.

Definitions of "Mortgagor," "Mortgagee" and "Affiliated Persons"

26. The word "Mortgagor" when used herein shall include: (a) the original Mortgagor named in the preambles hereof; (b) said original Mortgagor's successors and assigns; and (c) all owners from time to time of the Premises. The words "Affiliated Persons" when used herein shall mean any and all of: (a) any guarantor of any of the obligations of Mortgagor under the Note, this Mortgage, or any Loan Agreement; (b) if Mortgagor is a trustee, beneficiaries of the trust, including the general partners of any general or limited partnership which is a beneficiary of the trust; (c) if Mortgagor is a general or limited partnership, the general partners thereof; and (d) if Mortgagor is a limited liability company, the members thereof. The words "Holders" and "Mortgagee" when used herein shall include all successors and assigns of the original Holders and Mortgagee identified in the preambles hereof.

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Captions

27. The captions and headings of various paragraphs of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Future Advances

28. Mortgagee has bound itself and by the acceptance hereof does hereby bind itself to make advances pursuant to and subject to the terms of the Loan Agreement, and the parties hereby acknowledge and intend that all such advances, including future advances whenever hereafter made, shall be a lien from the time this Mortgage is recorded, as provided in Section 15-1302 (b)(1) of the Act.

Disbursement of Loan Proceeds for Construction of Improvements

29. This is a construction Mortgage, as said term is defined in Section 9-313(1)(c) of the Uniform Commercial Code.

Execution of Separate Security Agreement, Financing Statements, Etc.

30. Mortgagor, upon request by Mortgagee from time to time, shall execute, acknowledge and deliver to Mortgagee, or cause any Affiliated Person to so execute, acknowledge and deliver to Mortgagee, a Security Agreement, Financing Statement or other similar security instruments, in form satisfactory to Mortgagee, covering all property of any kind whatsoever owned by Mortgagor or such Affiliated Person, as the case may be, which in the sole opinion of Mortgagee is essential to the operation of the Premises and which constitutes goods within the meaning of the Uniform Commercial Code or concerning which there may be any doubt whether the title to same has been conveyed by or security interest perfected by this Mortgage under the laws of the state in which the Premises are located, and will further execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any financing statement, affidavit, continuation statement or certificate or other document as Mortgagee may request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of this Mortgage and such security instrument. Mortgagor further agrees to pay to Mortgagee on demand all reasonable costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing and re-filing of any such document.

Partial Invalidity; Maximum Allowable Rate of Interest

31. Mortgagor and Mortgagee intend and believe that each provision in this Mortgage and the Note comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Mortgage or the Note is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Mortgage and the Note to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Mortgagor and Mortgagee that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Mortgage and the Note shall be construed as if such illegal, invalid, unlawful, void or

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unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Mortgagor and Mortgagee under the remainder of this Mortgage and the Note shall continue in full force and effect. All agreements herein and in the Note are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance of the Note, or otherwise, shall the amount paid or agreed to be paid to the Holders for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable usury laws. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Note or any other agreement referred to herein, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity and if from any circumstance the Holders shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due under the Note and not to the payment of interest.

Mortgagee's Lien for Service Charge and Expenses

32. At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, liquidated damages, expenses and advances due to or incurred by Mortgagee in connection with the loan to be secured hereby, all in accordance with the application and loan commitment issued in connection with this transaction; provided, however, that in no event shall the total amount of loan proceeds disbursed plus such additional amounts exceed 150% of the face amount of the Note.

Maintenance of Mortgagor's and Affiliated Persons' Interests

33. So long as any indebtedness secured hereby remains unpaid, in the event that:

(a) Mortgagor shall, without Mortgagee's prior written consent, transfer, convey, alien, pledge, hypothecate or Mortgage the Premises; or

(b) any Affiliated Person shall, without Mortgagee's prior written consent, transfer, convey, alien, pledge, hypothecate or alter in any way an interest it holds in the Mortgagor or in any entity which holds an interest in the Mortgagor at the time this Mortgage is executed; or

(c) Mortgagor or any corporate Affiliated Person terminates, without Mortgagee's prior written consent, its corporate existence; or

(d) the controlling interests in any Mortgagor or any Affiliated Person are, without Mortgagee's prior written consent, held by any person or persons other than the person or persons holding such interests on the date this Mortgage is executed with regard to any corporate Mortgagor or corporate Affiliated Person on the date this Mortgage is executed;

such action or failure to act (unless expressly permitted pursuant to Section 7.10(c) of the Loan Agreement) shall

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constitute an event of default under this Mortgage and the Mortgagee shall have the right, at its election, to declare immediately due and payable the entire indebtedness secured hereby.

Applicable Law

34. This Mortgage, the Note and all other instruments evidencing and securing the loan secured hereby shall be construed, interpreted and governed by the laws of the State of Illinois, provided, however, that in the event all or any portion or portions of the Premises are not located in said state, then, and in such event, the enforcement hereof against the Premises, or portion or portions thereof located outside of such state, and remedies therefor shall be governed by the laws of the jurisdiction in which the Premises or such portions are located.

IN WITNESS WHEREOF, Mortgagor has caused these presents to be signed by the undersigned duly authorized on the day and year first above written.

THE BROADWAY, L.L.C., an Illinois
limited liability company

By: 

Its: Managing Member

This instrument was prepared
by and should be returned to:
Mark C. Simon
Sonnenschein Nath & Rosenthal
8000 Sears Tower
Chicago, Illinois 60606

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Grace Fill, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that J.E. Shaffer, Manager's Member of The Broadway, L.L.C., an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Manager's Member appeared before me this day in person and acknowledged that he signed and delivered said instrument as such officer of said corporation, as his own free and voluntary act and as the free and voluntary act of The Broadway, L.L.C., an Illinois limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 5th day of Sept., 1997.

Grace Fill
Notary Public

My Commission Expires:

3/4/98

OFFICIAL SEAL
GRACE FILL
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. MAR. 4, 1998

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EXHIBIT A

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LEGAL DESCRIPTION

PARCEL 1:

THE NORTH 77 FEET OF THE EAST 15 FEET OF LOT 23 AND THE NORTH 77 FEET OF LOTS 24 AND 25 IN THE SUBDIVISION OF LOTS 4, 5 AND THE SOUTH 1/2 OF LOT 3 IN BICKERDIKE AND STEELE'S SUBDIVISION OF PART OF THE WEST 1/2 OF THE NORTH WEST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE EAST 15 FEET OF LOT 23 (EXCEPT THE NORTH 77 FEET THEREOF) ALSO THE SOUTH 55 1/2 FEET OF LOTS 24 AND 25, ALSO THAT PART OF THE VACATED ALLEY WHICH LIES SOUTH OF THE EAST 15 FEET OF SAID LOT 23, AS SAID ALLEY IS SHOWN AND ALL THE ABOVE PREMISES LYING AND BEING IN SUBDIVISION OF LOTS 4 AND 5 AND THE SOUTH HALF OF LOT 3 IN BICKERDIKE AND STEELE'S SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 1 TO 6, BOTH INCLUSIVE, IN DYERS SUBDIVISION OF THAT PORTION OF LOTS 6, 7 AND 8 WHICH LIES WESTERLY OF LAKE SHORE PLANK ROAD IN STEELE'S AND BICKERDIKE SUBDIVISION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Tax Parcel ID Numbers:

14-28-120-015, Vol. 486
14-28-120-016, Vol. 486
14-28-120-024, Vol. 486
14-28-120-025, Vol. 486
14-28-120-026, Vol. 486
14-28-120-027, Vol. 486
14-28-120-028, Vol. 486

*Surf + Broadway
Chicago IL 60657*

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EXHIBIT B

PERMITTED EXCEPTIONS

1. Real Estate taxes not yet due and payable.
2. The Leases.
3. Terms of the Ground Lease.
4. No further remediation letter dated June 2, 1997 recorded June 26, 1997 as Document Number 97463498 issued by the State of Illinois Environmental Protection Agency.
5. Tiered approach to Corrective Action Right of Way Agreement dated May 28, 1997 recorded June 26, 1997 as Document 97463499 by and among the City of Chicago and Deborah Wolf Investment Trust.

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