

This Instrument prepared by,
recording requested by,
and when recorded mail to:

White & Case
633 West Fifth Street, Suite 1900
Los Angeles, California 90071
Attn: Gregory P. Rodgers, Esq.
Tel: (213) 620-7700

MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING

(Illinois)

THIS MORTGAGE, ASSIGNMENT OF RENTS, SECURITY
AGREEMENT AND FIXTURE FILING (as amended, modified or supplemented from
time to time, this "Mortgage"), dated as of October 28, 1997, is intended to create and
be a separate Mortgage by and from each of the following Mortgagors (as hereinafter
defined):

- (1) DOMINICK'S FINER FOODS, INC. OF ILLINOIS, an Illinois corporation
having an office at 505 Railroad Avenue, Northlake, Illinois 60164
("Mortgagor"), and
- (2) DOMINICK'S FINER FOODS, INC., a Delaware corporation having an office
at 505 Railroad Avenue, Northlake, Illinois 60164 ("Mortgagor")

to BANKERS TRUST COMPANY, a New York banking corporation having an address
at One Bankers Trust Plaza, 130 Liberty Street, New York, New York 10006
(Attention: Mary Kay Coyle), as collateral agent for and representative of the Secured
Creditors (hereinafter defined) and their successors and permitted assigns (in such
capacity, the "Mortgagee"), with respect to those portions of the Mortgage Estate
(hereinafter defined), Rents (hereinafter defined), and Personal Property (hereinafter
defined) (collectively, "Collateral") now owned or hereafter acquired (whether directly

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BOX 333-CTI

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BOX 333-CTI

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to BANKERS TRUST COMPANY, a New York banking corporation having an address at One Bankers Trust Plaza, 130 Liberty Street, New York, New York 10006 (Attention: Mary Kay Coyle), as collateral agent for and representative of the Secured Creditors (hereinafter defined) and their successors and permitted assigns (in such capacity, the "Mortgage"), with respect to those portions of the Mortgage Estate (hereinafter defined), Rents (hereinafter defined), and Personal Property (hereinafter defined) (collectively, "Collateral") now owned or hereafter acquired (whether directly

(2) DOMINICK'S FINER FOODS, INC., a Delaware corporation having an office at 505 Railroad Avenue, Northlake, Illinois 60164 ("Mortgage")

(1) DOMINICK'S FINER FOODS, INC. OF ILLINOIS, an Illinois corporation having an office at 505 Railroad Avenue, Northlake, Illinois 60164 ("Mortgage"), and

THIS MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (as amended, modified or supplemented from time to time, this "Mortgage"), dated as of October 28, 1997, is intended to create and be a separate Mortgage by and from each of the following Mortgages (as hereinafter defined):

(Illinois)

MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

White & Case
633 West Fifth Street, Suite 1900
Los Angeles, California 90071
Attn: Gregory P. Rodgers, Esq.
Tel: (213) 620-7700

This instrument prepared by,
recording requested by,
and when recorded mail to:

7686 490, 655, 112

(Master)

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or through a trust) by such individual Mortgagor, each such Mortgage being separately and severally enforceable (whether concurrently or otherwise) against the Mortgagor to which it relates, its successors and assigns and successors-in-interest in and to the Collateral of such Mortgagor, in the same manner and to the same extent as if each of said Mortgagors had executed a separate writing as to that Mortgagor's respective share of the Collateral, on the terms hereinafter set forth with respect to such Mortgagor and Collateral. References herein to "Mortgagor" shall refer singularly and separately to each Mortgagor, respectively, and shall not refer jointly or collectively to more than one of the Mortgagors, this writing being, with respect to each Mortgagor, a separate and distinct Mortgage, applying to and affecting only said Mortgagor and the Collateral now owned or hereafter acquired (whether directly or through a trust) by such individual Mortgagor. Terms defined in the Credit Agreement (as defined below) and not otherwise defined herein shall have the meaning given to such terms in the Credit Agreement.

PRELIMINARY STATEMENTS

A. The Mortgagee, the Banks, the Syndication Agent and the Co-Arrangers have entered into a Credit Agreement dated as of October 28, 1997 (said Credit Agreement, as it may hereafter be amended, amended and restated, supplemented or otherwise modified from time to time, being the "Credit Agreement") with Dominick's Supermarkets, Inc., a Delaware corporation, and Dominick's Finer Foods, Inc., a Delaware corporation (the "Borrower"), pursuant to which the Banks have made certain commitments, subject to the terms and conditions set forth in the Credit Agreement, to extend certain credit facilities to the Borrower, up to an aggregate principal amount not exceeding FIVE HUNDRED SEVENTY FIVE MILLION Dollars (\$575,000,000), with maturity dates not later than twenty (20) years from the date hereof.

B. It is contemplated that the Borrower may from time to time enter into Interest Rate Protection Agreements with one or more of the Banks or their Affiliates (collectively, in such capacity, the "Interest Rate Exchangers"), and the obligations under any Interest Rate Protection Agreement, or under any guaranty of the obligations under any such Interest Rate Protection Agreement (including, in either case, the obligation to make payments in the event of early termination of an Interest Rate Protection Agreement), are to be given the benefit of the lien of this Mortgage with Mortgagor's consent.

C. It is further contemplated that the Borrower may from time to time enter into Other Hedging Agreements with one or more of the Banks or their Affiliates (collectively, in such capacity, the "Hedging Agreement Creditors" and, together with the Mortgagee, the Administrative Agent, the Syndication Agent, the Co-

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Arrangers, the Banks and the Interest Rate Exchangers, the "Secured Creditors"), and the obligations under any Other Hedging Agreement, or under any guaranty of the obligations under any such Other Hedging Agreement (including, in either case, the obligation to make payments in the event of early termination of an Other Hedging Agreement), are to be given the benefit of the lien of this Mortgage with Mortgagor's consent.

D. The Credit Agreement and the other Credit Documents, any and all Interest Rate Protection Agreements at any time entered into between the Borrower and one or more Interest Rate Exchangers and any and all Other Hedging Agreements at any time entered into between the Borrower and one or more Hedging Agreement Creditors, are hereinafter sometimes collectively referred to as the "Secured Credit Documents".

E. It is a condition precedent to the initial extensions of credit by the Banks under the Credit Agreement that Mortgagor execute and deliver this Mortgage to Mortgagee.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt and sufficiency of which are hereby acknowledged, Mortgagor hereby irrevocably mortgages, grants, transfers, conveys and assigns to Mortgagee, for the benefit and security of Mortgagee, under and subject to the terms and conditions hereinafter set forth, all right, title and interest now owned or hereafter acquired by Mortgagor in and to the following property (all of the following property being collectively referred to herein as the "Mortgage Estate," and those portions of the Mortgage Estate located on or directly relating to the Land designated by a particular "Location Number" in the exhibits attached hereto being collectively referred to herein as a "Mortgaged Property"):

(1) The real property described in *Exhibit A* attached hereto (the "Fee Land").

(2) All leasehold estate, right, title and interest in, to and under any and all leases described or referred to in *Exhibit B* attached hereto, and any amendments, modifications, extensions, renewals or substitutions for any of such leases (each such lease, together with any amendments, modifications, extensions, renewals or substitutions therefor being referred to herein as a "Lease"), affecting all or portions of the real property described in said *Exhibit B* or described in the recorded documents referred to in said *Exhibit B* (which property descriptions are incorporated herein by this reference) (collectively, the "Leased Land"; the Fee Land and the Leased Land being sometimes

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collectively referred to as the "Land") or affecting any of the Improvements (as hereinafter defined), including any and all rights to security deposits, advance rentals, and other deposits under any Lease (collectively, "Deposits"); together with any greater estate in the Leased Land or the Improvements now owned or hereafter acquired by Mortgagor, whether pursuant to the terms of any Lease or otherwise.

(3) Any and all buildings and improvements now or hereafter erected in or on the Land, including all fixtures, attachments, appliances, equipment, machinery and other articles attached to the Land or to such buildings and improvements (collectively, the "Improvements"), all of which shall be deemed and construed to be a part of the realty (the Land and the Improvements being sometimes collectively referred to as the "Property");

(4) All rents, issues, profits, royalties, income and other benefits (collectively, the "Rents") derived from the Property or the ownership, use, management, operation, leasing or occupancy of the Property, subject to the terms of *Article VII* below;

(5) All tenements, hereditaments, appurtenances, privileges and other rights and interests now or in the future arising in respect of, benefiting or otherwise relating to the Property, including easements, rights-of-way, development rights, mineral rights, water rights and water stock, including all right, title and interest now owned or hereafter acquired by Mortgagor 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, driveways, and strips and gores of land adjacent to or used in connection with the Property;

(6) All the estate, interest, right, title, or other claim or demand, both in law and in equity, with respect to, or relating to the ownership, use, management, operation, leasing, or occupancy of the Property, including claims for damages with respect thereto, claims or demands with respect to insurance proceeds, and any and all awards made for the taking of all or any part of the Property by eminent domain, or by any proceeding or purchase in lieu thereof, including without limitation any awards resulting from a change of grade of streets and awards for severance damages (collectively, "Proceeds");

(7) All governmental approvals, authorizations, permits, rights, and entitlements now or hereafter owned by Mortgagor which have been or will be issued with respect to the Property, which are necessary or useful in connection with the development, construction or operation of the Property or any portion thereof;

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FOR THE PURPOSE OF SECURING the prompt payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code), of all obligations and liabilities of every nature of Mortgagor or, if Mortgagor is a trustee under a land trust, the owner of the beneficial interests in said trust (in either case, "Debtor") now or hereafter existing under or arising out of or in connection with the Secured Credit Documents, or any of them, and all extensions and renewals thereof, whether for principal, interest (including interest that, but for the filing of a petition in bankruptcy with respect to Debtor, would accrue on such obligations), reimbursement of amounts drawn under Letters of Credit, fees, expenses, indemnities or otherwise, whether voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from Mortgagee or any Bank or any Interest Rate Exchanger or any Hedging Agreement Creditor as a preference, fraudulent transfer or otherwise (all such obligations and liabilities of Debtor under, arising out of or in connection with the Secured Credit Documents being referred to herein as the "Secured Obligations").

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

ARTICLE I CERTAIN OBLIGATIONS OF MORTGAGOR

1.01. Payment of Secured Obligations. Mortgagor shall duly and punctually pay and perform all Secured Obligations in accordance with their terms.

1.02. Maintenance, Repairs, Alterations, Use. Mortgagor shall: (a) keep the Mortgage Estate in good condition and repair; (b) complete or cause to be completed promptly and in a good and workmanlike manner any Improvements which may be now or hereafter constructed on the Property, and pay when due (subject to Mortgagor's right to contest claims in accordance with *Section 1.08* hereof) all claims for labor performed and materials furnished therefor, other than, so long as no Event of Default exists, any such claims the nonpayment of which would not have a material adverse effect on the value, operation or ownership of any Mortgaged Property, or on Mortgagee's lien thereon or security therein; (c) not commit or permit any waste of the Mortgage Estate; (d) secure and maintain in full force and effect all permits necessary for the use, occupancy and operation of the Mortgage Estate; and (e) except as

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otherwise prohibited or restricted by this Mortgage, do any and all other acts which may be reasonably necessary to protect or preserve the value of the Mortgage Estate and the rights of Mortgagee with respect thereto.

1.03. Insurance.

(a) Types and Amounts Required. Mortgagor shall at all times provide, maintain and keep in force, at no expense to Mortgagee, fire and other insurance with respect to the Property as required by the Credit Agreement.

(b) Policy Requirements. All policies of insurance maintained with respect to the Property (i) shall name Mortgagee as an additional insured as its interests may appear; (ii) shall contain a standard Lender's Loss Payable endorsement and other non-contributory standard mortgagee protection clauses; and (iii) shall contain an agreement by the insurer that such policy shall not be amended or canceled without at least thirty (30) days prior written notice to Mortgagee. Any policies containing a coinsurance clause shall include a replacement cost endorsement adequate to ensure that the coinsurance clause is rendered inoperative. Mortgagor may provide any of the required insurance through blanket policies carried by Mortgagor and covering more than one location, or by policies procured by a tenant or other party holding under Mortgagor.

(c) Evidence of Insurance. Mortgagor shall furnish Mortgagee with an original of all policies of insurance required under this Section or a certificate of insurance for each required policy setting forth the coverage, the limits of liability, the deductibles, if any, the name of the carrier, the policy number, and the period of coverage, which certificates shall be executed by authorized officials of the companies issuing such insurance, or by agents or attorneys-in-fact authorized to issue said certificates. Mortgagor shall furnish to Mortgagee from time to time, within ten (10) days after each request therefor by Mortgagee, a certificate of Mortgagor specifying all insurance policies with respect to the Mortgage Estate and all other policies required hereby then outstanding and in force, and stating whether or not such insurance complies with the requirements of this Section and, if it does not, the manner in which it does not comply.

(d) Procurement by Mortgagee. If Mortgagor fails to provide, maintain, keep in force or deliver to Mortgagee the policies of insurance required by this Mortgage (or certificates evidencing same), Mortgagee may (but shall have no obligation to) procure such insurance, or single interest insurance for such risks covering Mortgagee's interests, and Mortgagor shall pay all premiums therefor promptly upon demand by Mortgagee; and until such payment is made by Mortgagor,

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the amount of all such premiums, together with interest thereon at the Agreed Rate (defined in *Section 2.01* hereof), shall be secured by this Mortgage.

(e) Assignment of Policies upon Foreclosure. In the event of foreclosure of this Mortgage or other transfer of title or assignment of the Mortgage Estate in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of Mortgagor in and to all policies of insurance required by this Section and any unearned premiums paid thereon shall, without further act, be assigned to and shall inure to the benefit of and pass to the successor in interest to Mortgagor or the purchaser or grantee of the Mortgage Estate, and Mortgagor hereby appoints Mortgagee its lawful attorney-in-fact to execute an assignment thereof and any other document necessary to effect such transfer.

3.04. Casualties: Insurance Proceeds.

(a) Notice of Casualties. Mortgagor shall give prompt written notice thereof to Mortgagee after the happening of any casualty to the Mortgage Estate resulting or reasonably expected to result in aggregate losses to the Mortgage Estate in excess of \$500,000, whether or not such casualty is covered by insurance.

(b) Proceeds to Mortgagee. All proceeds of insurance shall be applied as provided in Section 3.03(a) of the Credit Agreement, provided that during the existence of an Event of Default, all such proceeds shall be payable to Mortgagee. Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Mortgagee during the existence of an Event of Default. If Mortgagor receives or shall be holding any proceeds of insurance during the existence of an Event of Default, Mortgagor shall promptly pay over such proceeds to Mortgagee. During the existence of an Event of Default hereunder, Mortgagee shall have the sole and exclusive right, and Mortgagor hereby authorizes and empowers Mortgagee, to settle, adjust or compromise any insurance claims, and any such action taken by Mortgagor without Mortgagee's written consent shall be null and void.

(c) Use in Restoration. After deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit), including reasonable attorneys' fees, incurred by Mortgagee in connection with such Major Casualty or the collection of Proceeds, Mortgagee shall disburse the insurance proceeds held by it to Mortgagor, in accordance with and subject to such customary terms, conditions, and procedures as Mortgagee may require, for the sole purpose of paying the cost of restoration of the Mortgage Estate, so long as no Event of Default then exists.

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(d) Application by Mortgagee. If at any time an Event of Default has occurred and is continuing, Mortgagee has the option, in its sole and absolute discretion, (i) to apply all or any portion of such proceeds to the Secured Obligations secured hereby, in such order and priority as Mortgagee may determine, or (ii) to apply all or any portion of such proceeds to the restoration of the Mortgage Estate, subject to conditions determined by Mortgagee, or (iii) to deliver all or any portion of such proceeds to Mortgagor, subject to conditions determined by Mortgagee.

1.05. Waiver of Subrogation. Mortgagor waives any and all right to claim or recover against Mortgagee, its officers, employees, agents and representatives, for loss of or damage to Mortgagor, the Mortgage Estate, Mortgagor's property or the property of others under Mortgagor's control from any cause insured against or required to be insured against; *provided, however*, that this waiver of subrogation shall not be effective with respect to any policy of insurance permitted or required by this Mortgage if such policy prohibits, or if coverage thereunder would be reduced as a result of, such waiver of subrogation, and Mortgagor is unable to obtain from a carrier issuing such insurance a policy that, by special endorsement or otherwise, permits such a waiver of subrogation.

1.06. Taxes and Impositions.

(a) Payment by Mortgagor. Notwithstanding *Section 1.08* hereof or any provision of the Credit Agreement to the contrary, but subject to Mortgagor's contest rights under *Section 1.06(b)* hereof, Mortgagor shall 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, non-governmental levies or charges resulting from covenants, conditions or restrictions affecting the Mortgage Estate, which are assessed or imposed upon the Mortgage Estate, or become due and payable, and which create, may create or appear to create a lien upon the Mortgage Estate, or any part thereof (all of which taxes, assessments and charges, together with any and all other taxes, assessments and charges of a similar kind or nature are collectively referred to as "Impositions") other than, so long as no Event of Default exists, any Impositions the nonpayment of which would not have a material adverse effect on the value, operation, or ownership of any Mortgaged Property, or on Mortgagee's lien thereon or security therein; *provided, however*, that if, by law, any such Imposition is payable, or may at the option of the taxpayer be paid, in installments, Mortgagor may pay the same or cause it to be paid, 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.

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(b) Contest of Assessments. Mortgagor shall have the right to contest or object in good faith to the amount or validity of any such Imposition by appropriate proceedings commenced before any delinquency occurs, but this shall not be deemed or construed in any way as relieving, modifying or extending Mortgagor's covenant to pay any such Imposition at the time and in the manner provided in this *Section 1.06* unless (i) with respect to any Imposition in excess of \$100,000, Mortgagor has given prior written notice to Mortgagee, and (ii) with respect to any Imposition (A) the proceedings operate to prevent the sale of the Mortgage Estate, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings; or (B) Mortgagor furnishes a good and sufficient bond or surety satisfactory to Mortgagee; or (C) Mortgagor provides a good and sufficient undertaking as required or permitted by law to accomplish a stay of any such sale.

(c) Joint Assessment. Mortgagor shall not initiate, and, to the maximum extent permitted by law, shall not suffer or permit the joint assessment of any real and personal property any part of which constitutes all or a portion of the Mortgage Estate, or any other procedure whereby the lien of real property taxes and the lien of personal property taxes shall be assessed, levied or charged to the Mortgage Estate as a single lien.

1.07. Utilities. Mortgagor shall pay or shall cause to be paid when due all utility charges which are or may become a charge or lien against the Mortgage Estate, for gas, electricity, water or sewer services furnished to the Mortgage Estate, and all other assessments or charges of a similar nature, whether public or private, affecting or related to the Mortgage Estate or any portion thereof, whether or not such assessments or charges are or may become liens thereon, other than, so long as no Event of Default exists, any such utility charges or other assessments or charges the nonpayment of which would not have a material adverse effect on the value, operation, or ownership of any Mortgaged Property, or on Mortgagee's lien thereon or security therein.

1.08. Liens. Mortgagor shall pay and promptly discharge, at Mortgagor's cost and expense, all liens, encumbrances and charges upon the Mortgage Estate, or any part thereof or interest therein which are, appear or are alleged to be prior to the lien of this Mortgage, other than (a) any such matters constituting Permitted Liens or otherwise approved by Mortgagee in writing, and (b) any such matters to which this Mortgage is hereafter subordinated; *provided, however*, that Mortgagor may contest or object in good faith to the amount or validity of any such charges by appropriate proceedings, subject to any applicable provisions of *Section 1.08* below. Mortgagor shall have the right to contest in good faith by appropriate proceedings the validity of any such lien, encumbrance or charge, provided that Mortgagor shall promptly notify Mortgagee of any such contest, and shall diligently proceed to cause

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such lien, encumbrance or charge to be removed and discharged but this shall not be deemed or construed in any way as relieving, modifying or extending Mortgagor's covenant to pay and promptly discharge any such lien, encumbrance or charge unless (i) the proceedings operate to prevent the sale of the Mortgage Estate, or any part thereof, to satisfy such lien, encumbrance or charge prior to final determination of such proceedings, or (ii) Mortgagor furnishes a good and sufficient bond or surety satisfactory to Mortgagee, or (iii) Mortgagor provides a good and sufficient undertaking as required or permitted by law to accomplish a stay of any such sale. If Mortgagor fails to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of Mortgagee, Mortgagee may, but shall not be obligated to, discharge the same, without inquiring into the validity of such lien, encumbrance or charge nor into the existence of any defense or offset thereto, by paying the amount claimed to be due, or by procuring the discharge thereof by depositing in a court a bond or the amount claimed or otherwise giving security for such claim, or by procuring such discharge in such other manner as is or may be prescribed by law. Immediately upon demand therefor by Mortgagee, Mortgagor shall pay to Mortgagee an amount equal to all costs and expenses incurred by Mortgagee in connection with the exercise by Mortgagee of the foregoing right to discharge any such lien, encumbrance or charge, together with interest thereon from date of expenditure at the Agreed Rate; and, until paid, such sums shall be secured hereby.

1.09. Actions Affecting Mortgage Estate or Parties. Mortgagor, at no cost or expense to Mortgagee, shall appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee hereunder. Mortgagor shall indemnify, defend and hold Mortgagee harmless from all liability, damage, cost and expense incurred by Mortgagee by reason of any action or proceeding, of whatever kind or nature, concerning the Mortgage Estate or any part thereof or interest therein, or the occupancy thereof, (including, without limitation, the reasonable fees of attorneys for Mortgagee, and other expenses, of whatever kind or nature, incurred by Mortgagee as a result of such action or proceeding), whether or not such action or proceeding is prosecuted to judgment or decision, except those arising solely from the gross negligence or wilful misconduct of Mortgagee as determined by a final judgment of a court of competent jurisdiction. Immediately upon demand therefor by Mortgagee, Mortgagor shall pay thereto an amount equal to Mortgagor's liability to Mortgagee under this Section, together with interest thereon from date of expenditure at the Agreed Rate; and, until paid, such sums shall be secured hereby.

1.10. Eminent Domain.

(a) Notice to Mortgagee. If any proceeding or action is commenced for the taking of the Mortgage Estate, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, condemnation or otherwise,

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or if the same is taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner, or if Mortgagor receives any notice or other information regarding such a proceeding, action, taking or damage (including any proposal to purchase any portion of the Mortgage Estate in lieu of condemnation), (limited to information received in writing, except in the case of a pending action or proceeding) Mortgagor shall give prompt written notice thereof to Mortgagee.

(b) Award to Mortgagee. Mortgagee shall be entitled, at its option, without regard to the adequacy of its security, to investigate and negotiate with the condemnor concerning the proposed taking, to commence, appear in and prosecute in its own name any such action or proceeding (but will not exercise such option unless an Event of Default exists or unless Mortgagee shall have determined, in its sole judgment, that Mortgagor was not diligently proceeding to protect Mortgagee's interests), and, if an Event of Default exists hereunder, to make any compromise or settlement in connection with such taking or damage. Mortgagor shall not compromise or settle any such action or proceeding or agree to any sale in lieu of condemnation during the existence of an Event of Default without the prior written consent of Mortgagee, and any such action by Mortgagor taken without Mortgagee's prior written consent shall, at the option of Mortgagee, be null and void. All compensation, awards, damages, rights of action and proceeds (the "Award") awarded to Mortgagor by reason of any such taking, transfer or damage (a "taking") are hereby assigned to Mortgagee and Mortgagor agrees to execute such further assignments of the Award as Mortgagee may require. Notwithstanding the foregoing, Mortgagor shall be entitled to receive the entire Award so long as (i) no Event of Default exists, (ii) the voluntary sale by Mortgagor of the Real Property would be permitted by *Section 9.02* of the Credit Agreement, (iii) Mortgagor elects to treat such taking as such a permitted sale in accordance with *Section 9.02* of the Credit Agreement, and (iv) such Award is used and applied in accordance with *Section 3.03(b)* of the Credit Agreement.

(c) Use in Restoration. If Mortgagor is not entitled to receive the Award by virtue of its election to treat the taking as a permitted sale in accordance with the last sentence of *Section 1.10(b)* above, then so long as no Event of Default exists and so long as Mortgagor shall not have determined, in accordance with *Section 1.10(e)* below, not to use the Award for restoration of the affected Mortgaged Property, Mortgagee shall disburse the Award to Mortgagor, in accordance with and subject to such customary terms, conditions, and procedures as Mortgagee may reasonably require, for the sole purpose of paying the cost of restoration of the Mortgage Estate, after deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit), including reasonable attorneys' fees, incurred by Mortgagee in connection with any such negotiations, action or proceeding (whether or not prosecuted to judgment).

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(d) Application by Mortgagee. If, at any time, an Event of Default has occurred and is continuing, Mortgagee shall have the option, in its sole and absolute discretion, (1) to apply all or any portion of the Award to the Secured Obligations in such order as Mortgagee may determine, whether or not then due and payable, or (2) to apply all or any portion of the Award to the restoration of the Mortgage Estate, subject to such conditions as Mortgagee may determine in its sole discretion, or (3) to deliver all or any portion of the Award, after such deductions, to Mortgagor, subject to such conditions as Mortgagee may determine in its sole discretion. If (i) no Event of Default has occurred and is continuing, and (ii) Mortgagor is not entitled to receive the Award by virtue of its election to treat the taking as a permitted sale in accordance with the last sentence of *Section 1.10(b)* above, and (iii) Mortgagor determines, in accordance with *Section 1.10(e)* below, not to use the Award for restoration of the affected Mortgaged Property, Mortgagee shall have the option, in its sole and absolute discretion, (A) to apply all or any portion of the Award to the Secured Obligations in such order as Mortgagee may determine, whether or not then due and payable, or (B) to deliver all or any portion of the Award, after such deductions, to Mortgagor, subject to such conditions as Mortgagee may determine in its sole discretion.

(e) Duty to Restore. Mortgagor shall promptly repair, to the maximum extent practicable, any damage to the Mortgaged Property in question caused by any taking other than one described in the last sentence of *Section 1.10(b)* above, regardless of whether or not the Award is available for restoration, whether or not any such Award is sufficient in amount, or whether or not such Mortgaged Property can be restored to the same condition and character as existed prior to such taking unless (i) no Event of Default exists, and (ii) Mortgagor, in the exercise of its good faith business judgment, consistent with past practices, determines that such Mortgaged Property is no longer necessary for the proper conduct of its business and that restoration of such Mortgaged Property in such manner would not be prudent.

1.11. Survival of Warranties: Full Performance Required. All representations, warranties and covenants of Mortgagor made to Mortgagee in connection with the indebtedness secured hereby shall survive the execution and delivery of this Mortgage and shall remain continuing obligations, warranties and representations of Mortgagor so long as any portion of the obligations secured by this Mortgage remain outstanding; and Mortgagor shall fully and faithfully satisfy and perform all such obligations, representations, warranties and covenants.

1.12. Other Instruments. Mortgagor shall punctually pay all amounts due and payable under, and shall promptly and faithfully perform or observe each and every other obligation or condition to be performed or observed under, each deed of trust, mortgage or other lien or encumbrance, lease, sublease, declaration, covenant, condition, restriction, license, order or other instrument or agreement affecting the

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Mortgage Estate, in law or in equity, if the failure to perform or observe such obligation or condition (i) could have a material adverse effect (a) upon the operation, condition, or value of any of the Designated Properties, or Mortgagee's lien thereon or (b) upon the business, operations, properties, assets or condition (financial or otherwise) of the Borrower and the Guarantors, taken as a whole or (ii) could result in the impairment of the ability of the Mortgagor to perform its obligations under this Mortgage or the impairment of the ability of Mortgagee to enforce the Secured Obligations.

1.13. Further Acts. Mortgagor shall do and perform all acts necessary to keep valid and effective the charges and lien hereof, to carry into effect its object and purposes, and shall execute and deliver to Mortgagee at any time, upon request of Mortgagee, all other and further instruments in writing necessary to vest in and secure to Mortgagee each and every part of the Mortgage Estate and the Rents and the rights and interest of Mortgagee therein or with respect thereto; and, upon request by Mortgagee, shall supply evidence of fulfillment of each of the covenants herein contained concerning which a request for such evidence has been made.

1.14. Covenants Regarding the Leases. Mortgagor hereby covenants, represents and warrants to Mortgagee as follows with respect to each Lease:

(a) No Default. As of the date hereof, the Lease is a valid and subsisting lease and is in full force and effect in accordance with its terms. Mortgagor is the owner of the entire lessee's interest in and under the Lease. To Mortgagor's knowledge, as of the date hereof, no default has occurred and is continuing under the Lease. This Mortgage is lawfully executed and delivered in conformity with the terms of the Lease and is and will be kept a valid lien on the interests of Mortgagor therein.

(b) Encumbrances. Mortgagor shall not, without the prior written consent of Mortgagee, (i) except as may be expressly permitted under the Credit Agreement, further encumber its leasehold estate, the Land, or any other portion of the Mortgage Estate, or (ii) except as required by the Lease as of the date hereof, subordinate or consent to the subordination of the Lease to any underlying lease, mortgage or deed of trust on the lessor's interest in the premises demised by the Lease unless the lessor under such underlying lease or the mortgagee or beneficiary under such mortgage or deed of trust concurrently executes and acknowledges a non-disturbance agreement for the benefit of Mortgagor in form and substance reasonably acceptable to Mortgagee.

(c) Notices of Default. Mortgagor shall notify Mortgagee promptly in writing of (i) any material default by Mortgagor or the lessor under the Lease and (ii) the receipt by Mortgagor of any written notice of default from the lessor under the

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Lease. Mortgagor shall promptly deliver to Mortgagee a copy of any such written notice of default under the Lease.

(d) Cooperation with Mortgagee's Efforts to Cure. If any material default under the Lease shall have occurred and be continuing, upon the written request of Mortgagee, Mortgagor shall promptly execute, acknowledge and deliver to Mortgagee such instruments as may reasonably be required to permit Mortgagee to cure such default or to permit Mortgagee to take such other action required to enable Mortgagee to cure or remedy the matter in default and to preserve the security interest of Mortgagee under this Mortgage with respect to the Lease. Mortgagor hereby irrevocably appoints Mortgagee, during the existence of an Event of Default as its true and lawful attorney-in-fact to do, in its name or otherwise, any and all acts and to execute any and all documents which are necessary to preserve any rights of Mortgagor under or with respect to the Lease, including, without limitation, the right to effectuate any extension or renewal of the Lease, or to preserve any rights of Mortgagor whatsoever in respect of any part of the Lease (and the above powers granted to Mortgagee are coupled with an interest and shall be irrevocable).

(e) Fee Mortgage. Unless Mortgagee otherwise consents, the acquisition of any fee title or other interest in the Leased Land or the Improvements by Mortgagor, whether pursuant to an option in the Lease or otherwise, shall not result in a merger of the leasehold estate with such fee title or other interest. In the event that Mortgagor acquires any such fee title or other interest, such fee title or other interest shall be subject to the terms of this Mortgage.

(g) Rights in Bankruptcy: Claims Against Lessor.

(i) Mortgagor shall notify Mortgagee of any filing by or against any lessor under the Lease of a petition under any bankruptcy, insolvency, reorganization, moratorium or similar law (any such law being herein referred to as a "Bankruptcy Law"), promptly after learning thereof, setting forth any information available to Mortgagor as to the date of such filing, the court in which the petition was filed, and the relief sought. Mortgagor shall promptly deliver to Mortgagee any and all notices, summonses, pleadings, applications and other documents received by Mortgagor in connection with any such petition and any proceedings relating thereto.

(ii) If the Lease is rejected or disaffirmed by the lessor thereunder (or by any receiver, trustee, custodian or other party who succeeds to the rights of such lessor) pursuant to any Bankruptcy Law, (A) Mortgagor shall not elect to treat the Lease as terminated under 11 U.S.C. §365(h) or any similar or successor law or right, (B) Mortgagor shall remain in possession of

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the leased premises to the extent it is then legally entitled to do so and shall perform all acts necessary for Mortgagor to retain its right to remain in such possession for the unexpired term of the Lease (including all renewal and extension options), whether such acts are required under the then-existing terms and provisions of the Lease or otherwise, and (C) all of the terms and provisions of this Mortgage and the lien created hereby shall remain in full force and effect and shall be extended automatically to such possession, occupancy and interest of Mortgagor.

(iii) Mortgagor hereby assigns to Mortgagee the proceeds of any claim that Mortgagor may have against the lessor under the Lease (or any receiver, trustee, custodian or other party who succeeds to the rights of such lessor) by reason of any breach or any inability of such lessor (or any such successor) to perform the terms and provisions of the Lease (including by reason of a rejection or disaffirmance of the Lease pursuant to any Bankruptcy Law). If an Event of Default has occurred and is continuing, Mortgagee has the sole right to elect either (A) to proceed against such lessor (or such receiver, trustee, custodian or other party) as if Mortgagee were the named lessee under the Lease, in Mortgagor's name, or in Mortgagee's name as agent for Mortgagor, and Mortgagor agrees to cooperate with Mortgagee in such action and shall execute any and all documents required in furtherance of such action, or (B) to have Mortgagor proceed in Mortgagor's and Mortgagee's behalf in which event Mortgagee may participate in any such proceedings, and Mortgagor from time to time will deliver to Mortgagee all instruments requested by Mortgagee or as may be required to permit such participation. So long as no Event of Default has occurred and is continuing, Mortgagor shall, at its expense, have the right to prosecute any such proceedings in its own behalf.

(h) Attornment Agreements. Mortgagor shall use its best efforts to cause all leases and subleases hereafter entered into by Mortgagor as lessor or sublessor (and all existing leases and subleases hereafter modified or amended by Mortgagor as lessor or sublessor thereunder) (each such lease or sublease being a "Tenant Lease", and the lessee or sublessee thereunder being a "Tenant") to provide that if Mortgagee forecloses under this Mortgage or, in the case of a Tenant Lease which is a sublease, enters into a new lease with any lessor under the applicable Lease, whether pursuant to any provisions for such a new lease contained in the applicable Lease or otherwise, then the Tenant shall attorn to Mortgagee or its assignee and the Tenant Lease will remain in full force and effect in accordance with its terms notwithstanding such foreclosure or the termination of the applicable Lease.

(i) Status of the Lease: Modifications. With respect to each Lease described in *Exhibit B*, Mortgagor hereby represents and warrants that Mortgagor is

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the current lessee under the Lease, since November 1, 1996 the Lease has not been amended, modified, extended, renewed, substituted or assigned except as disclosed to Mortgagee in writing, and that Mortgagor has delivered to Mortgagee a true, accurate and complete copy of the Lease. Mortgagor hereby represents that *Exhibit B* accurately sets forth all recording data with respect to the filing or recordation of the Lease or a legally valid memorandum thereof, if the Lease or such a memorandum has been recorded. From time to time, within ten business days following the receipt of a request therefor from Mortgagee, Mortgagor shall deliver to Mortgagee true and correct copies of any and all amendments to the Lease executed after the date hereof.

The generality of the provisions of this *Section 1.14* relating to the Lease shall not be limited by other provisions of this Mortgage setting forth particular obligations of Mortgagor which are also required of Mortgagor with respect to the Lease, the Improvements, or the Leased Land.

1.15 Additional Covenants Regarding Designated Properties. Without limiting Mortgagor's obligations hereunder and under the other Credit Documents with respect to any other portion of the Mortgage Estate, Mortgagor hereby makes the following covenants with respect to the portions of the Mortgage Estate identified on *Exhibit C*, attached hereto (being the "Designated Properties," and those portions of the Designated Properties located on, or directly relating to the Land designated by a particular "Location Number" in the exhibits attached hereto being collectively referred to herein as a particular "Designated Property"):

(a) Mortgagor shall not remove or demolish the Improvements on any Designated Property, except as may be required by law or as may be necessary in order to comply with law, without the prior written consent of Mortgagee, and if Mortgagor is required by law to remove or demolish Improvements comprising a portion of a Designated Property, Mortgagor shall, to the extent practicable, promptly replace such Improvements with Improvements of comparable value and utility (it being understood that the foregoing shall not be construed as requiring Mortgagee's consent for Mortgagor to undertake a renovation of the Improvements on a Designated Property, unless such renovation would involve the demolition or removal of Improvements representing more than half of the replacement cost of the Improvements currently located on such Designated Property);

(b) Mortgagor shall comply with all laws, statutes, ordinances, rules, regulations, orders, covenants, conditions and restrictions now or hereafter affecting the Designated Properties or any part thereof or requiring any alterations or improvements;

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(c) Mortgagor shall not abandon the Designated Properties or any portion thereof or leave the Designated Properties unprotected, unguarded, vacant or deserted;

(d) Mortgagor shall not sell, assign, exchange, transfer, abandon, release, relinquish, otherwise encumber or otherwise dispose of any of Mortgagor's right, title or interest in and to any of the Designated Properties without the prior written consent of Mortgagee except as may be expressly permitted by the Credit Agreement.

ARTICLE II OTHER COVENANTS AND AGREEMENTS

2.01. Actions by Mortgagee to Preserve Mortgage Estate. If Mortgagor fails to make any payment or to do any act as and in the manner provided in this Mortgage or any other Secured Credit Document, Mortgagee, in its own discretion, without obligation so to do, without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation, may, upon the occurrence and during the continuation of an Event of Default, make or do the same in such manner and to such extent as it may deem necessary to protect the security hereof. Without limiting the generality of foregoing, Mortgagee shall have the option to cure any default and to perform any or all of Mortgagor's obligations under any Lease. In exercising such powers (without limiting their general and other powers, whether conferred herein, in the Credit Agreement, or in any other Secured Credit Document), Mortgagee shall have and is hereby given the right, but not the obligation,

(a) to enter upon and take possession of the Mortgage Estate, or any portion thereof;

(b) to make additions, alterations, repairs and improvements to the Mortgage Estate which it may consider necessary or proper to keep the Mortgage Estate in good condition and repair;

(c) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Mortgagee;

(d) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of Mortgagee may affect or appears to affect the security of this Mortgage or to be prior or superior hereto; and

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(e) in exercising such powers, to pay necessary expenses, including employment of counsel and other necessary or desirable consultants.

Immediately upon demand therefor by Mortgagee, Mortgagor shall pay to Mortgagee an amount equal to all costs and expenses incurred by Mortgagee in connection with the exercise of the foregoing rights, including, without limitation, costs of evidence of title, court costs, appraisals, surveys, and receiver's, and reasonable attorneys' fees, costs and expenses, whether or not an action is actually commenced in connection therewith, together with interest thereon, from date of expenditure until Mortgagee has been repaid such amount, at the rate (the "Agreed Rate") which is the lesser of: (x) the Base Rate plus two percent (2%) per annum, or (y) the maximum interest rate that can lawfully be charged by Mortgagee to Mortgagor on such funds on the date such funds are expended by Mortgagee (interest on each such expenditure being calculated separately at the particular Agreed Rate applicable to such expenditure); and, until paid, Mortgagor's obligation to repay said sums shall be secured hereby.

2.02. Inspections. Mortgagee is authorized to enter upon or in any part of the Mortgage Estate (which entry shall be at reasonable times and upon reasonable notice to Mortgagor, unless an Event of Default shall have occurred and be continuing) to inspect the same or to perform any of the acts authorized hereunder or under the terms of any of the Secured Credit Documents.

2.03. Limited Effect of Indulgences.

(a) Without affecting the liability of any other person liable for the payment of any obligation under any of the Secured Credit Documents, and without affecting the lien or charge of this Mortgage upon any portion of the Mortgage Estate not then or theretofore released as security for the full amount of all unpaid obligations, Mortgagee may, from time to time and without notice, (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed, at any time, at Mortgagee's option, any parcel, portion or all of the Mortgage Estate, (v) take or release any other or additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto.

(b) By accepting payment or performance of any obligation secured by this Mortgage after the payment or performance is due or after the filing of a notice of default and election to sell, Mortgagee shall not have thereby waived its right to require prompt payment or performance, when due, of all other obligations secured hereby, or to declare a default for failure so to pay or perform, or to proceed with the sale under any notice of default and election to sell theretofore given by Mortgagee, or to any unpaid balance of the indebtedness secured hereby. The acceptance by Mortgagee of

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any sum in an amount less than the entire sum then due is not a waiver of the obligation of Mortgagor to pay said sum. Mortgagor's failure to pay the entire sum then due shall be and continue to be a default, notwithstanding the acceptance of partial payment, and, until the entire sum then due shall have been paid, Mortgagee shall at all times be entitled to exercise all the remedies herein conferred, whether or not such amounts are received prior or subsequent to such notice. No delay or omission of Mortgagee in the exercising of any right or power hereunder shall impair such right or power or any other right or power nor shall the same be construed to be a waiver of any default or any acquiescence therein.

2.04. Additional Security. Neither other security now existing or hereafter taken to secure the obligations secured hereby, nor the liability of any maker, surety or endorser with respect to such obligations, or any of them, shall be impaired or affected by the execution of this Mortgage or by any of the acts referred to in *Section 2.03*. All additional security shall be taken, considered and held as cumulative. If Mortgagee at any time holds additional security for any of the obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before, concurrently, or after a sale is made hereunder.

2.05. Execution of Instruments by Mortgagee. At any time, and from time to time, without liability therefor and without notice, and without affecting the personal liability of any person for payment of the indebtedness or the performance of any other obligation secured hereby or the effect of this Mortgage upon the remainder of said Mortgage Estate, Mortgagee may (i) release the lien of this Mortgage with respect to any part of said Mortgage Estate, (ii) consent in writing to the making of any map or plat thereof or join in granting any easement, right of way, restrictive covenant or other dedication thereon, or (iii) join in any extension agreement, agreement subordinating the lien or charge hereof, or other agreement or instrument relating hereto or to the Mortgage Estate or any portion thereof.

2.06. Invalidity of Lien. If the lien of this Mortgage is invalid or unenforceable as to any part of the Secured Obligations, or if the lien is invalid or unenforceable as to any part of the Mortgage Estate, the unsecured or partially secured portion of the Secured Obligations shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the Secured Obligations, 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 of the Secured Obligations which is not secured or is not fully secured by the lien of this Mortgage.

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2.07. Mortgagor Waiver of Rights.

(a) Mortgagor waives, to the fullest extent permitted by law, (i) the benefit of all laws now existing or hereafter enacted providing for any appraisement before sale of any portion of the Mortgage Estate; and, (ii) whether now existing or hereafter arising or created, (A) all rights to direct the order in which the Mortgage Estate may be sold and all rights of valuation, appraisement, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshaling in the event of foreclosure of the liens hereby created, (B) all rights and remedies which Mortgagor may have or be able to assert by reason of the laws of any state pertaining to the rights and remedies of sureties, (C) any and all rights of redemption before, at, or after sale under any order or decree of foreclosure of this Mortgage on behalf of Mortgagor and each and every person acquiring any interest or title to the Mortgage Estate subsequent to the date of this Mortgage, (D) except as otherwise herein provided, all rights and remedies which Mortgagor may have or be able to assert to insurance proceeds, to the proceeds of any action or proceeding in eminent domain affecting the Mortgage Estate or any portion thereof, and to proceeds of a sale in lieu of such taking, and (E) all present and future statutes of limitations as a defense to any action to foreclose this Mortgage.

(b) Unless otherwise expressly provided, all sums secured by this Mortgage shall be paid without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Mortgagor to pay such sums, and to perform all other obligations of Mortgagor hereunder or under the Secured Credit Documents shall in no way be released, discharged or otherwise affected by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Mortgage Estate or any part thereof; (ii) any restriction or prevention of or interference by Mortgagee, or any third party with any use of the Mortgage Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Mortgage Estate or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Mortgagee, or any action taken with respect to this Mortgage by any trustee or receiver thereof, or by any court in any such proceeding; (v) any claim which Mortgagor has or might have against Mortgagee; (vi) any default or failure on the part of Mortgagee to perform or comply with any of the terms hereof or of any other agreement with Mortgagor; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; whether or not Mortgagor shall have notice or knowledge of any of the foregoing.

2.08. Release: Defeasance. If (i) Mortgagee pays all sums due under the Secured Credit Documents in accordance with the terms thereof, or (ii) the Collateral Release Date (as defined in the Credit Agreement) shall have occurred, then

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this Mortgage and the estate and rights hereby created shall cease, terminate, and become void, and thereupon Mortgagee, upon the written request and at the expense of Mortgagee, shall execute and deliver to Mortgagee such instruments as shall be required to evidence of record the satisfaction of this Mortgage and the lien thereof.

ARTICLE III ASSIGNMENT OF RENTS, ISSUES AND PROFITS

3.01. Assignment of Rents, Issues and Profits. Mortgagor hereby assigns and transfers all of the Rents to Mortgagee, and hereby gives to and confers upon Mortgagee the right, power and authority to collect the Rents. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney-in-fact, at the option of Mortgagee at any time and from time to time while this Mortgage remains in effect, to demand, receive and enforce payment; to give receipts, releases and satisfactions; to sue, in the name of Mortgagor or Mortgagee, for all Rents; and to apply the same to the indebtedness secured hereby; *provided, however*, that so long as no Event of Default exists, Mortgagor shall have the right to collect the Rents, (but not more than ninety days in advance unless the written approval of Mortgagee has first been obtained). The assignment of the Rents in this Article III is intended to be an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest. Upon request by Mortgagee, Mortgagor shall, from time to time hereafter, execute and deliver to Mortgagee recordable assignments in form satisfactory to Mortgagee of any or all leases, subleases, licenses, and concession or other agreements with respect to the use or occupancy of the Mortgage Estate or any portion thereof by any person other than Mortgagor now or hereafter affecting any portion of the Mortgage Estate.

3.02. Collection Upon Default. Upon the occurrence of an Event of Default hereunder, Mortgagee may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for Secured Obligations, enter upon and take possession of the Mortgage Estate, or any part thereof, and, with or without taking possession of the Mortgage Estate or any part thereof, in its own name sue for or otherwise collect the Rents, including those past due and unpaid; and all prepaid Rents and all other moneys which may have been or may hereafter be deposited with Mortgagor by any lessee or tenant of Mortgagor to secure the payment of any rent or for any services thereafter to be rendered by Mortgagor or for any other obligation of any tenant to Mortgagor arising under any Lease. Upon the occurrence of any Event of Default, Mortgagor shall promptly deliver all such Rents and other moneys to Mortgagee, and Mortgagee may apply the same, less costs and expenses of operation and collection (including reasonable attorneys' fees and costs, whether or not suit is brought or prosecuted to judgment), upon any of the Secured Obligations, in such order as Mortgagee may

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determine, notwithstanding that said indebtedness or the performance of said obligation may not then be due and payable. The collection of the Rents, or the entering upon and taking possession of the Mortgage Estate, or the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder, or invalidate any act done in response to such default or pursuant to such notice of default, or be deemed or construed to make Mortgagee a mortgagee-in-possession of the Mortgage Estate or any portion thereof.

ARTICLE IV REMEDIES UPON DEFAULT

4.01. Events of Default. The occurrence of any event specified in *Section 10* of the Credit Agreement shall constitute an event of default ("Event of Default") hereunder.

4.02. Acceleration Upon Default; Additional Remedies. Upon the occurrence and during the continuation of an Event of Default, whether or not the Secured Obligations are accelerated in accordance with the terms of the Secured Credit Documents, Mortgagee may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Mortgage Estate, 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 Mortgage Estate, or part thereof or interest therein, to increase the income therefrom or to protect the security hereof and, with or without taking possession of the Mortgage Estate or any part thereof, sue for or otherwise collect the Rents, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, all in such order as Mortgagee may determine. The entering upon and taking possession of the Mortgage Estate, the collection of such rents, issues and profits and the application thereof as aforesaid shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default; and, notwithstanding the continuance in possession by Mortgagee or a receiver of all or any portion of the Mortgage Estate or the collection, receipt and application of rents, issues or profits thereby, Mortgagee shall be entitled to exercise every right provided for herein or in any other Secured Credit Document or by law upon occurrence of any Event of Default;

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

(c) Exercise all other rights and remedies provided herein, in any other Secured Credit Document, or in any other document or agreement now or hereafter securing all or any portion of the obligations secured hereby, or provided by law.

4.03. Appointment of Receiver. If an Event of Default in this Mortgage shall have occurred and be continuing, Mortgagee, as a matter of right and without notice to Mortgagor or anyone claiming under Mortgagor, and without regard to the then value of the Mortgage Estate or the interest of Mortgagor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgage Estate, and Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Mortgagee in case of entry as provided herein and shall continue as such and any such receiver shall exercise all such powers until the date of confirmation of sale of the Mortgage Estate unless such receivership is sooner terminated.

4.04. Application of Funds After Default. Except as otherwise herein provided, upon the occurrence and during the continuation of an Event of Default hereunder, Mortgagee may, at any time without notice, apply any or all sums or amounts received and held by Mortgagee to pay insurance premiums, Impositions, or either of them, or as rents or income of the Mortgage Estate, or as insurance or condemnation proceeds, and all other sums or amounts received by Mortgagee from or on account of Mortgagor or the Mortgage Estate, or otherwise, upon any indebtedness or obligation of the Mortgagor secured hereby, in such manner and order as Mortgagee may elect, notwithstanding that said indebtedness or the performance of said obligation may not yet be due according to the terms thereof. The receipt, use or application of any such sums or amounts shall not be construed to affect the maturity of any indebtedness secured by this Mortgage, or any of the rights or powers of Mortgagee under the terms of this Mortgage or any other Secured Credit Document, or any obligations of Mortgagor or any other obligor under any of the other Secured Credit Documents, or to cure or waive any default or notice of default; or to invalidate any act of Mortgagee.

4.05. Costs of Enforcement. Upon the occurrence of any Event of Default, Mortgagee may employ an attorney or attorneys to protect their rights hereunder. Mortgagor promises to pay to Mortgagee, on demand, the reasonable fees and expenses of such attorneys and all other costs of enforcing the obligations secured hereby, including but not limited to, recording fees, receivers' fees and expenses, and

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all other expenses, of whatever kind or nature, incurred by Mortgagee in connection with the enforcement of the obligations secured hereby, whether or not such enforcement includes the filing of a lawsuit. Until paid, such sums shall be secured hereby and shall bear interest, from date of expenditure, at the Agreed Rate.

4.06. Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment of any indebtedness and performance of any other obligations secured hereby and to exercise all rights and powers under this Mortgage or under any other Secured Credit Document 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, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as it may in its absolute discretion determine. All rights and remedies existing under this Mortgage are cumulative to, and not exclusive of, any rights or remedies otherwise available. Every power or remedy given by this Mortgage or any other Secured Credit Document to Mortgagee or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee. This Mortgage may be foreclosed at any time against all or successively against any part or parts of the Mortgage Estate as Mortgagee may elect, and this Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by one or any foreclosure or by one or any sale and may be foreclosed successively and in parts until all of the Mortgage Estate shall have been foreclosed and sold.

4.07. Request for Notice. Mortgagor hereby requests that a copy of any notice of default hereunder be mailed to Mortgagor at the address of Mortgagor set forth in the first paragraph of this Mortgage.

ARTICLE V SECURITY AGREEMENT

5.01. Creation of Security Interest. Mortgagor hereby grants to Mortgagee a security interest in all of Mortgagor's estate, right, title and interest, now owned or hereafter acquired, in and to all of the following property (collectively, the "Personal Property"), whether now or hereafter existing, as security for the Secured Obligations, upon and subject to all of the terms and conditions set forth in the

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Borrower Security Agreement and the Subsidiary Security Agreement (in each case, the "Security Agreement")(which terms are incorporated herein by this reference):

- (a) all Rents, Deposits and Proceeds, as hereinabove defined;
- (b) all plans, specifications, maps, surveys, studies, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies and other documents, of whatever kind or character, relating to use, construction upon, occupancy, leasing, sale or operation of the Property, together with the proceeds, including insurance proceeds, thereof; and
- (c) all other personal property and fixtures (including, without limiting the generality of the foregoing, goods, equipment, inventory, proceeds and general intangibles, as those terms are defined in the Uniform Commercial Code in effect in the State in which the Land is situated (the "UCC")) now or at any time hereafter located on or at the Property or used in connection therewith, together with the proceeds, including insurance proceeds, thereof.

This Mortgage constitutes a security agreement as that term is used in the UCC and any other state in which any of the Personal Property is located; Mortgagee shall have all the rights and remedies of a secured party under the UCC as in effect from time to time (including, without limitation, the rights and remedies under Section 9501 of the UCC) as well as all other rights and remedies available hereunder or under the Security Agreement or at law or in equity.

5.02. Fixture Filing. Some of the above goods are or are to become fixtures on the Land. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included in the Personal Property, executed by Mortgagor (as "debtor") in favor of Mortgagee (as "secured party"). The name of a record owner of any portion the Leased Land in which Mortgagee does not have an interest of record is listed in *Exhibit B*. Information concerning the security interest created hereby may be obtained from Mortgagee, the secured party hereunder, at the address of Mortgagee set forth above.

5.03. Other Security Agreement. The rights and obligations of Mortgagor and Mortgagee with respect to all Personal Property described in the Security Agreement shall be controlled by the terms and provisions of the Security Agreement to the extent, if any, that the provisions of this Mortgage are inconsistent therewith. To the extent not inconsistent, the respective rights and obligations of Mortgagor and Mortgagee hereunder and under the Security Agreement shall be cumulative.

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ARTICLE VI ENVIRONMENTAL INDEMNITY

6.01. Indemnity.

(a) Mortgagor hereby agrees to indemnify, defend, and hold harmless the Secured Creditors, and each of their respective successors, assigns and participants, and their respective parent, subsidiary and affiliated corporations, and the respective directors, officers, agents, attorneys, and employees of each of the foregoing (each of which is referred to herein individually as an "Indemnitee" and collectively as the "Indemnitees"), and each of them, from and against any and all Environmental Claims except those arising solely from the gross negligence or wilful misconduct of the Indemnitee as determined by a final judgment of a court of competent jurisdiction.

(b) If any Indemnitee notifies Mortgagor of any claim or notice of the commencement of any action, administrative or legal proceeding, or investigation as to which the indemnity provided for in this Section 6.01 (the "Indemnity") applies, Mortgagor shall assume on behalf of such Indemnitee and conduct with due diligence and in good faith the investigation and defense thereof and the response thereto with counsel reasonably satisfactory to such Indemnitee; *provided, however*, that the Indemnitee, at its own expense, shall have the right to be represented by advisory counsel of its own selection and advised by such experts and consultants as such Indemnitee reasonably believes may be necessary; and *provided, further*, that if any such claim, action, proceeding, or investigation involves both Mortgagor and an Indemnitee and such Indemnitee shall have reasonably concluded that there may be legal defenses available to it which are inconsistent with those available to Mortgagor, or otherwise shall have concluded in good faith that separate counsel is necessary in order to protect Mortgagee's interests, then such Indemnitee shall have the right to select separate counsel to participate in the investigation and defense of and response to such claim, action, proceeding or investigation on its own behalf at Mortgagor's expense.

(c) If any claim, action, proceeding, or investigation arises as to which the Indemnity applies, and Mortgagor fails to assume promptly (and in any event within ten (10) days after being notified of the claim, action, proceeding, or investigation) the defense of an Indemnitee, then such Indemnitee may contest and settle the claim, action, proceeding, or investigation at Mortgagor's expense using counsel and experts selected by such Indemnitee; *provided, however*, that after any such failure by Mortgagor no such contest need be made by such Indemnitee and settlement or full payment of any claim may be made by such Indemnitee without Mortgagor's consent and without releasing Mortgagor from any obligations to such Indemnitee hereunder.

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(d) The obligations of Mortgagor under this Article are independent of, and shall not be measured or affected by (i) any amounts at any time owing under the Loans, any Interest Rate Protection Agreement or any Other Hedging Agreement, (ii) the sufficiency or insufficiency of any collateral (including, without limitation, the Property) given to secure repayment of the Loans and payment of Mortgagor's obligations under Interest Rate Protection Agreements and Other Hedging Agreements, (iii) the consideration given by Mortgagee or any other party in order to acquire the Property, or any portion thereof, (iv) the modification, expiration, foreclosure, release, or termination of this Mortgage or any other document or instrument relating to the Loans or the Interest Rate Protection Agreements or the Other Hedging Agreements, or (v) the discharge or repayment in full of the Loans or Mortgagor's obligations under any Interest Rate Protection Agreement or any Other Hedging Agreement (including, without limitation, by amounts paid or credit bid at a foreclosure sale or by discharge in connection with a deed in lieu of foreclosure).

(e) Mortgagor's obligations under this Article shall survive the sale or other transfer of the Property by Mortgagor as well as the foreclosure, release, or termination of this Mortgage. The rights of each Indemnitee under this Indemnity shall be in addition to any other rights and remedies of such Indemnitee against Mortgagor under any other document or instrument now or hereafter executed by Mortgagor, or at law or in equity (including, without limitation, any right of reimbursement or contribution pursuant to CERCLA or other similar Environmental Law), and shall not in any way be deemed a waiver of any of such rights. Mortgagor agrees that it shall withhold the exercise of any right of contribution (including, without limitation, any right of contribution under CERCLA or other similar Environmental Law) or subrogation against any other Credit Party in connection with any Environmental Claims, unless and until all obligations of Mortgagor under this Article have been satisfied.

(f) All obligations of Mortgagor under this Article shall be payable on demand, and any amount due and payable under this Article to any Indemnitee by Mortgagor which is not paid within thirty (30) days after written demand therefor from an Indemnitee with an explanation of the amounts demanded shall bear interest from the date of such demand at the Agreed Rate.

(g) Mortgagor agrees to pay to each Indemnitee all costs and expenses (including, without limitation, Indemnitee's reasonable attorneys' fees and disbursements) incurred by such Indemnitee in connection with the Indemnity or the enforcement hereof.

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ARTICLE VII MISCELLANEOUS

7.01. Amendments. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

7.02. Governing Law. IN ACCORDANCE WITH THE TERMS OF THE SECURED CREDIT DOCUMENTS, THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS MORTGAGE AND UNDER THE OTHER SECURED CREDIT DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICTS-OF-LAW RULES AND PRINCIPLES OF SUCH STATE. MORTGAGOR AND MORTGAGEE FURTHER ACKNOWLEDGE, AGREE, AND STIPULATE THAT THE STATE OF NEW YORK HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES INVOLVED IN THIS TRANSACTION AND TO THE UNDERLYING TRANSACTIONS SECURED BY THIS MORTGAGE. NOTWITHSTANDING THE FOREGOING, THE PARTIES AGREE THAT:

(a) THE PROCEDURES GOVERNING THE ENFORCEMENT BY MORTGAGEE OF PROVISIONAL REMEDIES AGAINST MORTGAGOR DIRECTLY RELATING TO THE REAL PROPERTY ENCUMBERED HEREBY, INCLUDING, BY WAY OF ILLUSTRATION BUT NOT LIMITATION, ANY SUCH ACTIONS FOR REPLEVIN, FOR CLAIM OF DELIVERY OF PROPERTY, OR FOR THE APPOINTMENT OF A RECEIVER, SHALL BE GOVERNED BY THE LAWS OF THE STATE IN WHICH THE PROPERTY IS SITUATED (THE "SITUS STATE");

(b) THE LAW OF THE SITUS STATE SHALL APPLY TO THE EXTENT, BUT ONLY TO THE EXTENT, NECESSARY IN ORDER TO CREATE, TO PERFECT, AND TO FORECLOSE THE SECURITY INTERESTS AND LIENS CREATED HEREBY; PROVIDED, HOWEVER, THAT NOTHING IN THIS SECTION SHALL IN ANY EVENT BE CONSTRUED TO PROVIDE THAT THE SUBSTANTIVE LAW OF THE SITUS STATE SHALL APPLY TO THE OBLIGATIONS AND INDEBTEDNESS SECURED BY THIS MORTGAGE OR EVIDENCED BY THE OTHER SECURED CREDIT DOCUMENTS, WHICH ARE AND SHALL CONTINUE TO BE GOVERNED BY THE SUBSTANTIVE LAW OF THE STATE OF NEW YORK. IN SUCH CONNECTION, THE PARTIES FURTHER AGREE THAT MORTGAGEE MAY ENFORCE ITS RIGHTS UNDER THE SECURED CREDIT DOCUMENTS, INCLUDING ITS RIGHT TO SUE

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MORTGAGOR, TO COLLECT ANY OUTSTANDING INDEBTEDNESS, OR TO OBTAIN A JUDGMENT AGAINST MORTGAGOR IN ILLINOIS, NEW YORK, OR OTHER STATES FOR ANY DEFICIENCY PRIOR TO OR FOLLOWING FORECLOSURE, IN ACCORDANCE WITH NEW YORK LAW, AND IF MORTGAGEE OBTAINS A DEFICIENCY JUDGMENT IN A STATE OTHER THAN THE SITUS STATE, THEN MORTGAGEE SHALL HAVE THE RIGHT TO ENFORCE SUCH JUDGMENT IN THE SITUS STATE, AS WELL AS IN OTHER STATES.

7.03. Interpretation. In this Mortgage the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires; and the word "person" shall include corporation, partnership or other form of association or entity. The captions or headings at the beginning of Articles, Sections and Subsections hereof are for the convenience of the parties, are not a part of this Mortgage, and shall not be used in construing it. The terms "including" and "includes" shall be construed as though followed by the words "without limitation." All exhibits attached to this Mortgage are incorporated herein by this reference and made a part hereof.

7.04. Severability. In case any provision in or obligation under this Mortgage shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

7.05. Successors and Assigns. This Mortgage applies to and shall be binding on and inure to the benefit of all parties here's and their respective successors and assigns.

7.06. Mortgagee Statements. For any statement or accounting regarding the Secured Obligations requested by Mortgagor, Mortgagee may charge the maximum amount permitted by law at the time of the request for such statement, or if there is no such maximum, then an amount consistent with Mortgagee's customary charges therefor or the actual cost to Mortgagee thereof, whichever is greater.

7.07. Notices. Any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telexed or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed. For the purposes hereof, the address of each party hereto shall be as hereinabove set forth following such party's name or, as to any

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party, such other address as shall be designated by such party in a written notice delivered to the other parties hereto.

7.08. Nonforeign Entity. Section 1445 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform Mortgagee that the withholding of tax will not be required in the event of the disposition of the Mortgage Estate pursuant to the terms of this Mortgage, Mortgagor hereby certifies, under penalty of perjury, that: (a) Mortgagor is not a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Internal Revenue Code and the regulations promulgated thereunder; (b) Mortgagor's U.S. employer identification number (EIN) is as set forth on the signature page of this Mortgage following Mortgagor's name; (c) Mortgagor's principal place of business is at the address set forth on the first page of this Mortgage following Mortgagor's name; and (d) Mortgagor is duly qualified to do business in the state in which the Property is situated. It is understood that Mortgagee may disclose the contents of this certification to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment or both. Mortgagor covenants and agrees to execute such further certificates, which shall be signed under penalty of perjury, as Mortgagee shall reasonably require. The covenant set forth herein shall survive the foreclosure of the lien of this Mortgage or acceptance of a deed in lieu thereof.

7.09 Revolving Credit; Maximum Amount Secured; Maturity Date.

(a) This Mortgage is given to secure a "Revolving Credit" loan as defined in 205 Illinois Compiled Statutes 5/5d and secures not only the indebtedness from Debtor to Mortgagee existing on the date hereof but all such future advances, whether such advances are obligatory or to be made at the option of Mortgagee, or otherwise, as are made within twenty years from the date of this Mortgage, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness secured by this Mortgage may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed a maximum principal amount of One Billion Dollars (\$1,000,000,000), plus interest thereon, and any disbursements made by Mortgagee for the payment of taxes, special assessment, or insurance on the Property, with interest on such disbursements.

(b) The maximum aggregate amount secured by this Mortgage at any one time shall not exceed One Billion Two Hundred Million Dollars (\$1,200,000,000).

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The Secured Obligations mature no later than twenty years from the date of this Mortgage.

7.10. Exhibits: Recording of Counterparts. This Mortgage is being executed in several counterparts, all of which are identical; *provided, however*, that if the Property is located in more than one county, to facilitate recordation, in certain counterparts only the portions of *Exhibit A* and *Exhibit B* that contain descriptions of the Land and the Leases located in the county in which the particular counterpart is to be recorded have been included and other portions of said exhibits are included by reference only. All of such counterparts together shall constitute one and the same instrument. Complete copies of this Mortgage containing the entire *Exhibit A* and *Exhibit B* have been retained by Mortgagor and Mortgagee and recorded in Cook County, Illinois.

[Remainder of page intentionally left blank]

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EXECUTED as of the day and year first above written.

DOMINICK'S FINER FOODS, INC. OF ILLINOIS,
an Illinois corporation
(EIN # 36-2657204)

By: Cheryl Murphy
Name: Cheryl Murphy
Title: Treasurer

DOMINICK'S FINER FOODS, INC.
a Delaware corporation
(EIN # 36-3168270)

By: Cheryl Murphy
Name: Cheryl Murphy
Title: Vice President & Treasurer

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NEW YORK CORPORATE ACKNOWLEDGEMENT (DOMINICK'S FINER FOODS, INC. OF ILLINOIS)

STATE OF NEW YORK)
) SS.
COUNTY OF NEW YORK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Cheryl Murphy, Treasurer of DOMINICK'S FINER FOODS, INC. OF ILLINOIS, an Illinois corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Treasurer, he/she signed, sealed and delivered said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as his/her free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 27th day of October, 1997.

Robert L. Powell, Jr.
Notary Public

[SEAL]

ROBERT L. POWELL, JR.
Notary Public, State of New York
No. 01PO5085511
Qualified in New York County
Commission Expires Sept. 22, 1998

My Commission Expires:

9/22/99

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NEW YORK CORPORATE ACKNOWLEDGEMENT (DOMINICK'S FINER FOODS, INC.)

STATE OF NEW YORK)
) SS.
COUNTY OF NEW YORK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Chenil Murphy,
Vice President & Treasurer of DOMINICK'S FINER FOODS, INC., a Delaware corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President & Treasurer, he/she signed, sealed and delivered said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as his/her free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 27th day of October, 1997.

R. L. Powell Jr.
Notary Public

[SEAL]

ROBERT L. POWELL JR.
Notary Public, State of New York
No. 01PO508511
Qualified in New York County
Commission Expires Sept. 22, 1999

My Commission Expires:

9/22/99

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EXHIBIT C

DESIGNATED PROPERTIES

None.

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EXHIBIT A

DESCRIPTION OF FEE LAND

DUPAGE COUNTY

NONE

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27-3276-7880

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EXHIBIT B

DESCRIPTION OF LEASES AND LEASED LAND

DUPAGE COUNTY

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #047
545 W. LAKE STREET
ADDISON, IL

DUPAGE COUNTY

Lease dated March 17, 1970, executed by First National Bank and Trust Company of Evanston as Trustee under Trust Agreement dated May 19, 1969, known as Trust No. R 1324, as Lessor, and Dominick's Finer Foods, Inc., as Lessee, a Memorandum of which Lease was recorded May 21, 1970 as Document No. R70-15869.

PERMANENT INDEX NUMBERS:
03-20-416-003

(CONTINUED ON NEXT PAGE)

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #047
345 W. LAKE STREET
ADDISON, IL

DUPAGE COUNTY

LEGAL DESCRIPTION

LOT ONE OF JURSIK'S SUBDIVISION OF THAT PART OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 20, TOWNSHIP 20 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED BY BEGINNING AT A POINT ON THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 20, 692.37 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 20, SAID POINT BEING THE NORTHWEST CORNER OF LULLO'S GREEN OAKS SUBDIVISION, A SUBDIVISION RECORDED MARCH 26, 1963 AS DOCUMENT 863-1974; THENCE NORTH ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 20, 833.80 FEET TO THE CENTER LINE OF LAKE STREET; THENCE SOUTHEASTERLY ALONG THE CENTER LINE OF LAKE STREET, 779.19 FEET TO THE NORTHWEST CORNER OF LOT "E" IN CHILDREN'S HOME SUBDIVISION, A SUBDIVISION RECORDED JANUARY 6, 1960 AS DOCUMENT 952197; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT "E", 430.91 FEET TO THE NORTHEAST CORNER OF LULLO'S GREEN OAKS SUBDIVISION; THENCE WEST ALONG THE NORTH LINE OF SAID SUBDIVISION 684.93 FEET TO THE PLACE OF BEGINNING, IN DUPAGE COUNTY, ILLINOIS.

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #054
OGDEN MALL SHOPPING CENTER
1295 E. OGDEN
NAPERVILLE, IL

DUPAGE COUNTY

Lease dated November 10, 1972, executed by Hanover Naperville, Inc., as Lessor, and Dominick's Finer Foods, Inc., as Lessee, a Memorandum of which Lease was recorded August 18, 1975 as Document No. 875-42781.

PERMANENT INDEX NUMBERS:
08-08-100-010

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #054
OGDEN MALL SHOPPING CENTER
1295 E. OGDEN
NAPERVILLE, IL

DUPAGE COUNTY

LEGAL DESCRIPTION

LOTS 1, 2 AND 3 IN HANOVER-NAPERVILLE, INCORPORATED SUBDIVISION OF PART OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 38 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 15, 1974 AS DOCUMENT #74-07344, IN DUPAGE COUNTY, ILLINOIS

FORMERLY DESCRIBED AS:

That part of the Northwest Quarter of Section 8, Township 38 North, Range 10, East of the Third Principal Meridian bounded by a line described as follows: Commencing at the intersection of the North line of said Quarter Section with the Westerly line of the Naperville-Wheaton Road, said Westerly line being a line 50.0 feet Westerly of and parallel with the center line of said road; thence South 22 degrees, 39 minutes, 00 seconds West along the Westerly line of said road; 606.92 feet to the place of beginning of the tract of land to be described; thence continuing along the Westerly line of the Naperville-Wheaton Road, South 22 degrees, 39 minutes, 00 seconds West 723.07 feet to an angle point in said road line; thence South 44 degrees, 29 minutes, 33 seconds West, 70.26 feet to a point on the Northwesterly line of Ogden Avenue (U.S. Route 34); thence West and South along the Northwesterly line of Ogden Avenue, being a curved line convex to the Northwest and having a radius of 1210.41 feet, a distance of 702.77 feet are measured, to a point which is on the Northeasterly line of Iroquois Drive; thence North 39 degrees, 00 minutes, 36 seconds West along the Northeasterly line of said Drive 470.32 feet to a point of curve; thence North and West along the Northeasterly line of Iroquois Drive being a curved line convex to the Northeast and having a radius of 1690.0 feet to a distance of 462.02 feet, are measured, to an intersection with a line drawn

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #054
OGDEN MALL SHOPPING CENTER
1295 E. OGDEN
NAPERVILLE, IL

DUPAGE COUNTY

LEGAL DESCRIPTION

from a point on an old fence line, 943.0 feet North of the center line of Bauer Road and running to a point on the North line of the Northwest quarter of said Section 8 which is 750.0 feet East, as measured along said North line, of the intersection of the North line of said Quarter Section with said old fence line; thence North 16 degrees, 08 minutes, 47 seconds East along the last described line, 1000.67 feet to said point on the North line of said Quarter Section which is 750.0 feet East of the old fence line, as aforesaid; thence North 88 degrees, 34 minutes, 05 seconds East along the North line of the Northwest quarter of said Section 8, 487.67 feet to a point on said line which 819.68 feet West, as measured along said North line, of the intersection of said North line with the center line of the Naperville-Wheaton Road, thence South 01 degrees 25 minutes 55 seconds East, 250.0 feet; thence South 68 degrees 60 minutes 55 seconds East, 600.03 feet to the place of beginning, in DuPage County, Illinois.

STORE NO. 054.

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #067
17W675 ROOSEVELT ROAD
OAK BROOK TERRACE, IL

DUPAGE COUNTY

Lease dated September 24, 1973, executed by American National Bank and Trust Company of Chicago, as Trustee, under Trust Agreement dated October 19, 1971 and known as Trust Number 76185, as Lessor, and Dominick's Finer Foods, Inc., as Lessee, a Memorandum of which Lease was recorded February 3, 1975 as Document No. 875-05407.

PERMANENT INDEX NUMBERS:

06-22-100-016
06-22-100-014
06-22-100-015
06-22-100-031

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #067
17W675 ROOSEVELT ROAD
OAK BROOK TERRACE, IL

DUPAGE COUNTY

LEGAL DESCRIPTION

PARCEL ONE:

THE EAST 600.0 FEET OF THE NORTH 797.82 FEET (EXCEPT THE EAST 225.0 FEET OF THE NORTH 225.0 FEET THEREOF AND EXCEPT THE EAST 50.0 FEET LYING SOUTH OF THE NORTH 225 FEET AND EXCEPT THE NORTH 50 FEET LYING WEST OF THE EAST 225.0 FEET THEREOF) OF THE NORTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN DUPAGE COUNTY, ILLINOIS.

PARCEL TWO:

THE NORTH 100.0 FEET OF THE WEST 200.0 FEET OF THE EAST 800.0 FEET (EXCEPT THE NORTH 50.0 FEET THEREOF) OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN DUPAGE COUNTY, ILLINOIS.

PARCEL THREE:

THE WEST 200.0 FEET OF THE EAST 800.0 FEET OF THE NORTH 797.82 FEET (EXCEPT THE NORTH 100.0 FEET THEREOF) OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN DUPAGE COUNTY, ILLINOIS.

PARCEL FOUR:

THE EAST 100 FEET OF THE EAST 188 FEET OF THE SOUTH 397.82 FEET AND THE EAST 100 FEET OF THE NORTH 100 FEET OF THE SOUTH 497.82 FEET OF THE FOLLOWING DESCRIBED PROPERTY: THE NORTH 797.82 FEET (EXCEPT THE EAST 800 FEET THEREOF AND EXCEPT THE NORTH 250 FEET OF THE WEST 250 FEET THEREOF) IN THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN DUPAGE COUNTY, ILLINOIS.

AND ALSO THE FOLLOWING DESCRIBED PARCEL:

THE EAST 600.0 FEET OF THE NORTH 797.82 FEET (EXCEPT THE EAST 345.0 FEET OF THE NORTH 225.0 FEET THEREOF AND EXCEPT THE EAST 50.0 FEET AND THE NORTH 50.0 FEET ((ROAD RIGHT OF WAY)) THEREOF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF YORK, IN DUPAGE COUNTY, ILLINOIS.

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #088
BRENTWOOD COMMONS SHOPPING CENTER
1145 S. YORK ROAD
BENSENVILLE, IL

DUPAGE COUNTY

Lease dated April 1, 1980, executed by LaSalle National Bank as Trustee under Trust Agreement dated April 15, 1977 and known as Trust No. 52315, as Lessor, and Dominick's Finer Foods, Inc., as Lessee, a Memorandum of which Lease was recorded April 11, 1980 as Document R80-21547.

PERMANENT INDEX NUMBERS:
03-25-100-024
03-25-100-023

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #088
BRENTWOOD COMMONS SHOPPING CENTER
1145 S. YORK ROAD
BENSENVILLE, IL

DUPAGE COUNTY

LEGAL DESCRIPTION

THAT PART OF LOT 271 IN BRENTWOOD TERRACE DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 271, FOR A PLACE OF BEGINNING; THENCE NORTHERLY ALONG TO EAST LINE OF SAID LOT 271 A DISTANCE OF 740.0 FEET TO THE SOUTHEAST CORNER OF CANTRELL BROTHERS RESUBDIVISION IN THE NORTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE WESTERLY ALONG THE MOST SOUTHERLY LINE OF SAID CANTRELL BROTHERS RESUBDIVISION AND SAID SOUTHERLY LINE EXTENDED FOR A DISTANCE OF 579.8 FEET TO A POINT IN THE WEST LINE OF SAID LOT 271; SAID POINT BEING 620.0 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT 271; THENCE SOUTHERLY ALONG THE WEST LINE OF SAID LOT 271 FOR A DISTANCE OF 634.2 FEET; THENCE EASTERLY ALONG A LINE PARALLEL TO THE NORTH LINE OF GRAND AVENUE 150.0 FEET; THENCE SOUTHERLY ALONG A LINE PARALLEL TO THE EAST LINE OF YORK ROAD 150.0 FEET; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID LOT 271, A DISTANCE OF 484.0 FEET TO THE POINT OF BEGINNING IN BRENTWOOD TERRACE, BEING A SUBDIVISION OF PART OF THE SOUTH 1/2 OF SECTION 24 AND THE NORTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 22, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 10, 1956 AS DOCUMENT 823155 AND CERTIFICATES OF CORRECTION FILED DECEMBER 14, 1956 AS DOCUMENT 826909 AND SEPTEMBER 12, 1957 AS DOCUMENT 856155, IN DUPAGE COUNTY, ILLINOIS.

LEASEHOLD ESTATE CREATED BY A CERTAIN INDENTURE OF LEASE MADE BY LASALLE NATIONAL BANK AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 15, 1977, AND KNOWN AS TRUST NUMBER 52315, LESSOR, TO DOMINICK'S FINEER FOODS, INC. DATED APRIL 1, 1980 (AN INDENTURE OF WHICH WAS RECORDED APRIL 11, 1980 AS DOCUMENT 880-21547) WHICH LEASE DEMISES THE LAND FOR A TERM OF 20 YEARS AS DEFINED IN SAID LEASE.

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #094
166 E. LAKE STREET
BLOOMINGDALE, IL

DUPAGE COUNTY

Lease dated November 1, 1978 executed by Central National Bank in Chicago, as Trustee under Trust Agreement Number 23154, as Lessor and The Kohl Corporation, as Lessee, a Memorandum of which Lease was recorded on January 26, 1979 as Document No. R79-007804.

Assignment dated May 1, 1982 from The Kohl Corporation, as Assignor to Dominick's Finer Foods, Inc., as Assignee, which Assignment was recorded on _____ as Document No. _____.

RECORD OWNER: Carlyle Real Estate Limited Partnership-XV, an Illinois limited partnership.

PERMANENT INDEX NUMBERS:

02-15-205-027
02-15-205-021
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02-15-205-023

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #094
166 E. LAKE STREET
BLOOMINGDALE, IL

DUPAGE COUNTY

LEGAL DESCRIPTION

LOTS 1, 2, 3, 4, 5 AND 6 IN SPRINGBROOK CENTER SUBDIVISION, BEING A SUBDIVISION OF LOT 66 (EXCEPT THAT PART LYING NORTH OF A LINE PERPENDICULAR TO THE WEST LINE OF LOT 66 AFORESAID, AND WHICH IS 125.0 FEET SOUTHERLY OF THE NORTH EAST CORNER OF LOT 66 AFORESAID, AS MEASURED ALONG A LINE PARALLEL WITH THE WEST LINE THEREOF), LOT 67 AND THE NORTH 198.6 FEET, AS MEASURED AT RIGHT ANGLES TO THE NORTH LINE THEREOF, OF LOT 69 IN FAIRFIELD SUBDIVISION, BEING A SUBDIVISION IN SECTION 25, TOWNSHIP 40 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF OF SAID SPRINGBROOK CENTER SUBDIVISION RECORDED JUNE 16, 1983 AS DOCUMENT NUMBER 883-37318, IN DUPAGE COUNTY, ILLINOIS.

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EXHIBIT B
(Leases and Leased Land)

DOMINICK'S LOCATION #115
1300 S. NAPER BOULEVARD
NAPERVILLE, IL

DUPAGE COUNTY

Lease dated February 15, 1985, executed by Naper Development Partnership, an Illinois limited partnership, as Lessor, and Dominick's Finer Foods, Inc., as Lessee, a Memorandum of which Lease was recorded January 6, 1986 as Document No. 886-01667.

PERMANENT INDEX NUMBERS:
08-29-202-022

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