

MORTGAGE AND SECURITY AGREEMENT

DEARBORN INTERESTS,

as Mortgagor

to

STICHTING PENSIOENFONDS VOOR DE GEZONDHEID
GEESTELIJKE EN MAATSCHAPPELIJKE BELANGEN,
AS ADMINISTRATIVE AGENT

as Mortgagee

County: Cook
City: Chicago
State: Illinois

Premises: 40 West Adams Street
Chicago, Illinois

Dated: as of October 27, 1997

This Instrument prepared by and record and return by mail to:

RICHARDS & O'NEIL, LLP
885 Third Avenue
New York, New York 10022
Attention: Robert M. Safron, Esq.
File No.: 4681.0008

BOX 333-CTI

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MORTGAGE AND SECURITY AGREEMENT

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EXHIBIT A - LEGAL DESCRIPTION

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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (this "Mortgage") is made as of October 27, 1997, by DEARBORN INTERESTS, an Illinois general partnership having an office at c/o Cornerstone Properties Inc., 126 East 56th Street, New York, New York 10022 (herein referred to as "Mortgagor") in favor of STICHTING PENSIOENFONDS VOOR DE GEZONDHEID GEESTELIJKE EN MAATSCHAPPELIJKE BELANGEN, a foundation formed according the laws of The Netherlands, having an office at Kroostweg-Noord 149, Zeist, The Netherlands ("Mortgagee"), as administrative agent for the holders of the Notes (as hereinafter defined).

WITNESSETH:

WHEREAS, Mortgagor owns fee title to the Real Property (as hereinafter defined);
and

WHEREAS, Cornerstone Properties Inc. ("Borrower") and Mortgagee have entered into that certain Note and Collateral Agency Agreement dated as of even date hereof (the "Loan Agreement") pursuant to which Borrower and CStone-527 Madison, Inc. will execute and deliver in favor of Lenders (as defined in the Loan Agreement) certain promissory notes in the aggregate principal amount of \$250,000,000 (the "Notes");

WHEREAS, Borrower owns, directly or indirectly, 100% of the equity interests of Mortgagor and Mortgagor will derive direct and indirect economic benefits from the execution and delivery by Borrower of the Notes and the transactions related thereto;

WHEREAS, Mortgagor has executed and delivered to Mortgagee for the benefit of the holders of the Notes that certain Guaranty dated as of even date hereof, guaranteeing certain obligations and indebtedness of Borrower to the holders of the Notes (the "Guaranty"); and

WHEREAS, Mortgagor desires to secure the payment and performance of its obligations evidenced by the Guaranty by, among other things, executing and delivering this Mortgage as security for the Obligations (as hereinafter defined);

NOW THEREFORE, in order to secure (i) payment to Mortgagee of all sums due under the Guaranty in the principal amount of TWO HUNDRED FIFTY MILLION AND NO/100 DOLLARS (\$250,000,000.00), together with interest thereon, (ii) the performance of the covenants herein contained and the payment of any monies expended by Mortgagee in accordance with its rights hereunder, (iii) the full and prompt performance and payment of all sums under the Guaranty, (iv) the payment of all obligations and the performance of all covenants of Mortgagor under the Guaranty and any other loan documents, agreements or instruments between Mortgagor and Mortgagee given in connection with or related to this Mortgage, the Guaranty or the transactions contemplated thereby, and (v) any and all additional advances made by Mortgagee to protect or preserve the Security (as hereinafter defined) or the security interest created hereby on the Security, or for taxes, assessments, or insurance premiums as hereinafter provided or for performance of any of Mortgagor's obligations hereunder or for any other purpose provided herein (whether or not the original Mortgagor remains the owner of the Security at the time of such advances) (all of the aforesaid indebtedness and obligations of Mortgagor being herein called

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the "Obligations", and all of the documents, agreements and instruments between Mortgagor and Mortgagee now or hereafter evidencing or securing the repayment of, or otherwise pertaining to, the Obligations being herein collectively called the "Loan Documents"), Mortgagor does hereby mortgage, grant, warrant, bargain, sell, assign, pledge, transfer, and convey unto Mortgagee and to Mortgagee's successors and assigns, and grant to Mortgagee a security interest in all of the following described land, improvements, real and personal property and rents and leases, whether now owned or hereafter acquired, and all of Mortgagor's estate, right, title and interest therein (hereinafter, collectively called the "Security"):

The land described in Exhibit A attached hereto and made a part hereof situate, lying and being in the City of Chicago, County of Cook, and State of Illinois (the "Land");

TOGETHER with all buildings and other improvements now or hereafter located on said Land or any part thereof, including but not limited to, all extensions, betterments, renewals, renovations, substitutes and replacements of, and all additions and appurtenances to the Security (the "Improvements");

TOGETHER with all of the right, title and interest of Mortgagor in and to the land lying in the bed of any street, road, highway or avenue in front of or adjoining the Land to the center lines thereof, and strips and gores within or adjoining the Land, the air space and the right to use such air space above the Land, all rights of ingress and egress by motor vehicles to parking facilities now or hereafter located on or within the Land and/or Improvements and all rights of ingress and egress by pedestrians to and from the Land and/or Improvements, all royalties and all rights appertaining to the use and employment of the Land or the Improvements, including, without limitation, alley, drainage, crop, timber, agricultural, horticultural, mineral, water, oil and gas rights;

TOGETHER with all easements now or hereafter located on or appurtenant to the Land and/or the Improvements or under or above the same or any part thereof, rights-of-way, licenses, permits, approvals and privileges, belonging or in any way appertaining to the Land and/or Improvements including without limitation (i) any drainage ponds or other like drainage areas not located on the Land which may be required for water run-off, (ii) any easements necessary to obtain access from the Land to such drainage areas, or to any other location to which Mortgagor has a right to drain water or sewage and (iii) any land required to be maintained as undeveloped land by the zoning rules and regulations applicable to the Land;

TOGETHER with any and all awards or compensation heretofore made and hereafter to be made by any governmental, municipal or State authorities to the present and all subsequent owners of the Security for the taking of all or any portion of the Security by power of eminent domain, including, without limitation, awards for damage to the remainder of the Security and any awards for any change or changes of grade of streets affecting the Security, which said awards are hereby pledged and assigned to Mortgagee, and Mortgagee, at its option, is hereby authorized, directed and empowered, subject to the terms of this Mortgage, to collect and receive the proceeds of any such awards from the authorities making the same and to give proper receipts and acquittances therefor, and to apply the same toward the payment of the indebtedness evidenced by the Notes (hereafter, the "Underlying Indebtedness") in the manner provided in the Loan Agreement, notwithstanding the fact that such amount may not then be due and payable; and Mortgagor hereby covenants and agrees to and with Mortgagee, upon request by Mortgagee,

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subject to the terms of this Mortgage, to make, execute and deliver, at Mortgagor's expense, any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid awards to Mortgagee, free, clear and discharged of any and all encumbrances of any kind or nature whatsoever (all of the foregoing Land, Improvements, rights, easements, leasehold interests, rights-of-way, licenses, privileges, and awards, collectively, the "Real Property");

TOGETHER with all fixtures, chattels, machinery, equipment, goods, and every other article of personal property, tangible or intangible, now or hereafter attached to or used in connection with the Real Property, or placed on any part thereof and whether or not attached thereto, appertaining or adapted to the present or future use, management, leasing, operation or improvement of the Real Property, insofar as the same and any reversionary right thereto may now or hereafter be owned or acquired by Mortgagor, including, not limited to, all partitions, screens, awnings, shades, blinds, floor coverings, hall and lobby equipment, heating, lighting, plumbing, ventilating, refrigerating, incinerating, elevator, escalator, air conditioning and communication plants or systems with appurtenant fixtures, vacuum cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, all equipment, manual, mechanical and motorized, for the construction, maintenance, repair and cleaning of, and removal of snow from, parking areas, walks, underground ways, truck ways, driveways, common areas, roadways, highways and streets, all equipment, manual, mechanical and motorized, for the transportation of customers or employees to and from the store facilities on the Real Property, all telephone, computers and other electronic equipment and appurtenances thereto, including software, and all other machinery, pipes, poles, appliances, equipment, wiring, fittings, panels and fixtures; and any proceeds therefrom, any replacements thereof or additions or accessions thereto; and all building materials, supplies and other property delivered to the Real Property for incorporation into the Improvements thereon, all of which are declared to be a part of the realty and covered by the lien hereof, but said lien shall not cover any fixture, machinery, equipment or article of personal property which is owned by a tenant or third party manager and, without limiting the foregoing, to the extent permitted by applicable law Mortgagor hereby grants to Mortgagee a security interest in all of its present and future "accounts", "equipment" and "general intangibles" (as such quoted terms are defined in the Uniform Commercial Code (the "UCC") of the State in which the Real Property is located) and contract rights and Mortgagee shall have, in addition to all rights and remedies provided herein, and in any other agreements, commitments and undertakings made by Mortgagor to Mortgagee, all of the rights and remedies of a "secured party" under the UCC;

TOGETHER with all of Mortgagor's books of accounts and records relating to the Security, including all computers and software relating thereto and used solely for operation of the Security;

TOGETHER with all contracts for sale and leases in the nature of sales of the Real Property, or any portion thereof, now and hereafter entered into and all right, title and interest of Mortgagor thereunder, including, without limitation, cash or securities deposited thereunder to secure performance by the lessees or contract purchasers; all proceeds and revenue arising from or out of the Real Property or any part thereof; all licenses, permits, franchises, governmental approvals and all sanitary sewer, drainage, water and utility service agreements, operating contracts, concessionaire agreements, franchise agreements, management agreements, zoning, land use, air rights and development agreements, service contracts, supply and maintenance contracts, equipment leases, warranties, guaranties and all other agreements affecting the Real Property

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and/or the Improvements and/or used in connection with the operation thereof and all contract rights of Mortgagor thereunder, together with all of the rights, reversions and/or equities now or hereafter appurtenant thereto, together with all accounts, general intangibles, documents, instruments and chattel paper arising from or in connection with the Real Property, including all books and records in connection therewith; and all rights of Mortgagor under any leases, covenants, agreements, easements, restrictions or declarations recorded with respect to, or as an appurtenance to, the Real Property or any part thereof (all of the tangible and intangible personal property described in this and the previous two paragraphs, collectively, the "Personal Property"), and Mortgagor's interest, as lessee, under any lease of property included within the description of Personal Property above;

TOGETHER with all right, title and interest of Mortgagor in and to all leases, subleases, lettings, occupancy agreements and licenses (individually, a "Lease" and collectively, the "Leases") of the Real Property and/or the Improvements or any part thereof now or hereafter entered into and all right, title and interest thereunder, including, without limitation, cash and securities deposited thereunder, the right to receive and collect the rents, issues and profits payable thereunder and the right to enforce, at law or in equity, all provisions, covenants and agreements thereof;

TOGETHER with all right, title and interest of Mortgagor in and to any and all refunds of Impositions (as hereinafter defined), all unearned premiums, accrued, accruing or to accrue under any and all insurance policies now or hereafter obtained by Mortgagor and all proceeds of the conversion, voluntary or involuntary, of the Real Property, the Improvements and/or any other property or rights encumbered or conveyed hereby, or any part thereof, into cash or liquidated claims, including, without limitation, proceeds of hazard and title insurance;

TOGETHER with all of the right, title and interest of Mortgagor in and to all and singular the tenements, hereditaments and appurtenances thereto belonging to or in any way pertaining to the Security; all the estate, right, title and claim whatsoever of Mortgagor, either in law or in equity, in and to the Security; and any and all other, further or additional title, estate, interest or right which may at any time be acquired by Mortgagor in or to the Security, and if Mortgagor shall at any time acquire any further estate or interest in or to Security, the lien of this Mortgage shall attach, extend to, cover and be a lien upon such further estate or interest automatically without further instrument or instruments, and Mortgagor, upon request of Mortgagee, shall execute such instrument or instruments as shall reasonably be requested by Mortgagee to confirm such lien, and Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's attorney-in-fact (which appointment is coupled with an interest) to execute all such instruments if Mortgagor shall fail to do so within ten (10) days after demand;

TO HAVE AND TO HOLD the Security, and each and every part thereof, unto Mortgagor and its successors and assigns, for the purposes and uses herein set forth.

PROVIDED, notwithstanding anything to the contrary herein contained, that the maximum amount which at any time may be secured hereby is limited to and shall not in any event exceed the sum of \$300,000,000.00.

AND, Mortgagor hereby further covenants, agrees and warrants as follows:

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1. Payment and Performance of the Obligations. Mortgagor will perform the Obligations and pay any sums in respect thereof and the interest thereon in accordance with the provisions of the Guaranty and all extensions, renewals, modifications, amendments and replacements thereof, and will keep and perform all the covenants, promises and agreements and pay all sums provided in (i) the Guaranty or any promissory notes or other guaranty or guaranties at any time hereafter issued to evidence the Obligations, (ii) this Mortgage, and (iii) any and all other Loan Documents, all in the manner herein or therein set forth.

2. Covenants of Title. Mortgagor has good and indefeasible title to the entire Real Property and the Personal Property in fee simple, and has good right and full power to sell, mortgage and convey the same; the Security is free and clear of easements, restrictions, liens, leases and encumbrances, except those easements, restrictions, liens, leases and encumbrances listed on Schedule B of the policy or policies of title insurance delivered to Mortgagee as of the recordation of this Mortgage (the "Permitted Encumbrances"), to which this Mortgage is expressly subject, or which may hereafter be created in accordance with the terms hereof; and Mortgagor will warrant and defend title to the Security against all claims and demands whatsoever except the Permitted Encumbrances. Mortgagee shall have the right, at its option and at such time or times as it, in its sole discretion, shall deem necessary, to take whatever action it may deem necessary to defend or uphold the lien of this Mortgage or otherwise enforce any of the rights of Mortgagee hereunder or any obligation secured hereby, including without limitation, the right to institute appropriate legal proceedings for such purposes.

3. Usury. In no event shall Mortgagor be bound to pay interest of more than the current legal limit for the use, forbearance or detention of the money loaned pursuant to the Loan Documents, the right to demand any such excess being hereby expressly waived by Mortgagee.

4. Impositions. Subject to the provisions of Section 5 hereof, Mortgagor will pay, not later than fifteen (15) days before the last day on which the same may be paid without penalty or interest, all real estate taxes, sewer rents, water charges and all other municipal and governmental assessments, rates, charges, impositions and liens (hereinafter referred to as "Impositions") which now or hereafter are imposed by law upon the Security, whether relating directly to the Security or to property adjoining or abutting the Security. If any Imposition is not paid within the time hereinabove specified, Mortgagee shall have the right to pay the same, together with any penalty and interest thereon, and the amount or amounts so paid or advanced shall forthwith be payable by Mortgagor to Mortgagee and shall be secured by the lien of this Mortgage. Mortgagor may in good faith contest, at Mortgagor's own cost and expense, by proper legal proceedings, the validity or amount of any Imposition, on the condition that Mortgagor first shall deposit with Mortgagee, as security for the payment of such contested item, an amount equal to the contested item plus all penalties and interest which would be payable if Mortgagor is ultimately required to pay such contested item, and on the further condition that no amount so contested may remain unpaid for such length of time as shall permit the Security, or the lien thereon created by the item being contested, to be sold for the nonpayment thereof, or as shall permit an action, either of foreclosure or otherwise, to be commenced by the holder of any such lien. Mortgagor will not claim any credit on, or make any deduction from the Obligations or the Underlying Indebtedness by reason of the payment of any Imposition.

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Mortgagor hereby pledges and assigns to Mortgagee all rights of Mortgagor now or hereafter arising in and to the refund of any Imposition and any interest thereon. If upon receipt of any such refund by Mortgagee, there exists no Event of Default (as hereinafter defined) hereunder, then Mortgagee shall pay over the same to Mortgagor promptly after such receipt; if there then exists an Event of Default hereunder, Mortgagee may apply said refund in reduction of the Underlying Indebtedness in the manner provided under the Loan Agreement. The provisions of this paragraph shall survive the foreclosure of this Mortgage, and any refunds shall be applied toward the satisfaction of any foreclosure judgment. In the event that Mortgagee or its designee accepts a deed in lieu of foreclosure, such refunds are hereby automatically assigned to Mortgagee or its designee.

5. Escrow Deposits. Mortgagee may, at its option after the occurrence of an Event of Default, to be exercised by ten (10) days' written notice to Mortgagor, require that Mortgagor deposit with Mortgagee or with an escrow agent selected by Mortgagee, on the first day of each and every calendar month after such notice (each of which dates is hereinafter called the "monthly escrow deposit date") until the payment in full of the Underlying Indebtedness, an amount equal to one-twelfth of the sum of: (a) the Impositions to be levied, charged, assessed or imposed upon or for the Security within one year after said monthly tax deposit date, and (b) the total annual insurance premiums for all insurance required to be maintained by Mortgagor under this Mortgage ("Insurance Premiums"). If on any monthly escrow deposit date the amount of Impositions or Insurance Premiums to be levied, charged, assessed or imposed within the ensuing one year period shall not be fixed, such amount for the purpose of computing the deposit to be made by Mortgagor hereunder, shall be estimated by Mortgagee, with appropriate adjustment when the amount of such Impositions and Insurance Premiums is fixed.

The sums deposited by Mortgagor under this Section shall be held in an interest bearing account with interest being retained by Mortgagee and free of trust except to the extent, if any, that applicable law shall otherwise require and applied in payment of such Impositions and Insurance Premiums when due. Mortgagor shall give thirty (30) days' prior written notice to Mortgagee in each instance when an Imposition or Insurance Premium is due, specifying the Imposition or Insurance Premium to be paid and the amount thereof, the place of payment and the last day on which the same may be paid in order to be within the time limit specified in Section 4 hereof entitled "Impositions" or the last day before which an Insurance Premium becomes delinquent "Due Date".

If for any reason the sums on deposit with Mortgagee or escrow agent under this Section shall not be sufficient to pay an Imposition or Insurance Premium within the Due Date, then Mortgagor shall, within ten (10) days after demand by Mortgagee, deposit a sum which, when added to all subsequent deposits, to be made by Mortgagor hereunder prior to the Due Date will enable Mortgagee to pay such Imposition or Insurance Premium in full, together with any penalty and interest thereon. Mortgagee may change its estimate of Impositions and Insurance Premiums for any period, on the basis of a change in an assessment or tax rate or equalization factor or on the basis of a prior miscalculation or for any other reasonable cause, in which event Mortgagor shall deposit with Mortgagee or escrow agent within ten (10) days after demand the amount of any excess of the deposits which would theretofore have been payable under the revised estimate over the sums actually deposited.

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If any Imposition shall be levied, charged, assessed or imposed upon or for the Security, or any portion thereof, and if such Imposition shall also be a levy, charge, assessment or imposition upon or for any other premises not covered by the lien of this Mortgage, then the computation of the amounts to be deposited under this Section shall be based upon the entire amount of such Imposition and Mortgagor shall not have the right to apportion any deposit with respect to such Imposition.

Upon an assignment of this Mortgage, Mortgagee shall have the right to arrange to transfer all amounts deposited and still in its possession to the assignee and Mortgagee shall thereupon be completely released from all liability with respect to such deposit and Mortgagor or owner of the Security shall look solely to the assignee or transferee in reference thereto.

Upon the payment in full of the entire Underlying Indebtedness, any sums then held by Mortgagee under this Section shall be refunded to Mortgagor.

All amounts deposited shall be held by Mortgagee as additional security for the sums secured by this Mortgage, and, to the extent permitted by applicable law, Mortgagor hereby grants to Mortgagee a security interest in such sums, and upon the occurrence of an Event of Default hereunder Mortgagee may in its sole and absolute discretion, apply said amounts to the payment of the Underlying Indebtedness in the manner provided in the Loan Agreement.

Immediately upon receipt of such by Mortgagor, Mortgagor shall deliver to Mortgagee copies of all notices, demands, claims, bills, and receipts in relation to the Impositions and the Insurance Premiums.

Notwithstanding the foregoing provisions, Mortgagee will waive the requirement for deposits as to that portion of Impositions payable directly to the governmental or other authority by tenants under the terms of Leases approved by Mortgagee, provided satisfactory proof of payment is promptly furnished to Mortgagee.

6. Change in Taxes. In the event any tax shall be due or become due and payable to the United States of America, the State or any political subdivision thereof with respect to the execution and delivery or recordation of this Mortgage or any other Loan Document or the interest of Mortgagee in the Security, Mortgagor shall pay such tax at the time and in the manner required by applicable law and Mortgagor shall hold Mortgagee harmless and shall indemnify Mortgagee against any liability of any nature whatsoever as a result of the imposition of any such tax. In the event of the enactment, after the date of this instrument, of any law changing in any way the present law as to the taxation of notes or debts secured by mortgages or deeds of trust, for Federal, State, or local purposes, or the manner of collection of any Impositions, so as to affect this Mortgage or the Guaranty secured hereby, then Mortgagor shall upon demand make such payments to Mortgagee and take such other steps, as may be necessary in Mortgagee's reasonable judgment, to place Mortgagee in the same financial position as it was prior to any such enactment, failing which, or if Mortgagor is not permitted by law to make such payments, the Underlying Indebtedness shall, at the option of Mortgagee, immediately become due and payable.

7. Insurance. Mortgagor shall at all times until the satisfaction of this Mortgage, keep the Security insured against loss or damage for its full replacement cost (which cost may be reset from time to time at Mortgagee's reasonable election, but not more frequently

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than once per year) under policies of All Risk Replacement Cost Insurance with Agreed Amount Endorsement (including risks of war and nuclear explosion, if available) with no co-insurance requirement, and shall further provide flood insurance (if the Security is situated in an area which is considered a flood risk area by the federal government or any agency thereof), boiler and machinery insurance, rent loss insurance in an amount sufficient to cover the total of all rents accruing from the Security for a one year period, comprehensive general liability insurance in a minimum amount of \$1,000,000, and excess or umbrella liability of at least \$25,000,000 or such other amounts or coverage as Mortgagee may reasonably designate from time to time after the first anniversary of the date hereof, and during any period of restoration, a policy or policies of builder's "all risk" insurance in an amount not less than the full insurable value of the Security against such risks as Mortgagee may reasonably request and such other appropriate insurance as Mortgagee may reasonably require from time to time for hazards commonly insured against by owners of properties similar to the Security, in such amounts and with such companies as shall be approved by Mortgagee with a Best's rating of A-XII or better (or an equivalent rating with such other publication of a similar nature as shall be in current use), and will assign and deliver the original or a certified copy of the policy or policies of such insurance to Mortgagee (or in the case of a blanket policy, an Accord 27). Notwithstanding the foregoing, Mortgagee acknowledges and agrees that insurance in place on the Real Property as of the date hereof is sufficient to satisfy requirements of this Section 7, subject, however, to Mortgagee's right to designate other amounts or coverages as provided above. Each such policy shall name Mortgagee as an additional insured and each policy other than Mortgagee's commercial general liability policy shall provide that all proceeds with respect to the Security shall be payable to Mortgagee, that the same may not be cancelled or modified except upon thirty (30) days' prior written notice to Mortgagee, that no act or thing done by Mortgagor shall invalidate the policy as against Mortgagee, shall name Mortgagee as an additional insured and loss payee pursuant to a Standard New York Clause (non-contributing) and shall otherwise be in such form as shall be reasonably acceptable to Mortgagee, so that at all times until the payment in full of the Underlying Indebtedness, Mortgagee shall have and hold the said policy and policies as further collateral for the payment and performance of the Obligations. If Mortgagor shall fail to obtain any such policy or policies required by Mortgagee, or shall fail to assign and deliver the same to Mortgagee, then Mortgagee may obtain such insurance and pay the premium or premiums therefor, in which event Mortgagor shall, on demand of Mortgagee, repay such premium or premiums to Mortgagee and such repayment shall be secured by the lien of this Mortgage. If Mortgagor fails to maintain the level of insurance required under this Mortgage, then Mortgagor shall indemnify Mortgagee to the extent that a casualty occurs and insurance proceeds would have been available had such insurance been maintained.

Mortgagor shall promptly provide to Mortgagee copies of any and all notices (including notice of non-renewal), claims, and demands which Mortgagor receives from insurers of the Security.

Any insurance required to be provided by Mortgagor under this Section 7 may be provided by means of a blanket policy insuring the Security as well as other properties of Mortgagor; provided, however, that if the insurance required hereunder shall be effected by blanket policies, Mortgagor shall furnish to Mortgagee certified copies or duplicate originals thereof in place of the original blanket policy, with schedules thereto showing the amount of insurance afforded by such blanket policies in respect of the Security. Mortgagor shall not take out or permit any separate or additional insurance which is contributing in the event of loss unless

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it is endorsed in favor of Mortgagee in accordance with the requirements of this Mortgage and otherwise satisfactory to Mortgagee in all respects.

Effective from and after and during the continuance of any Event of Default, Mortgagor hereby pledges and assigns to Mortgagee all rights of Mortgagor in and to any unearned premiums on any insurance policy required to be furnished by Mortgagor.

8. Insurance/Condemnation Proceeds. Mortgagor hereby pledges and assigns to Mortgagee all proceeds of any insurance or condemnation awards which Mortgagor may be entitled to receive for loss or damage or taking of the Security. In the event of loss or damage to, or a taking of, the Security, the proceeds of said insurance or condemnation award shall be payable to Mortgagee alone and Mortgagor hereby authorizes and directs any affected insurance company or government agency to make payment of the insurance proceeds or condemnation awards directly to Mortgagee, unless such proceeds are less than or equal to One Hundred Thousand Dollars (\$100,000.00), in which case, provided no Event of Default shall have occurred and be continuing hereunder, such proceeds shall be paid to and held, in trust, by Mortgagor and applied to restoration of the Improvements as hereinafter provided. Except as provided in the previous sentence, in the event that any insurance proceeds or condemnation awards are paid directly to Mortgagor, Mortgagor shall make such proceeds or awards available to Mortgagee within five (5) days of Mortgagor's receipt thereof. No such loss or damage shall itself reduce the Obligations or the Underlying Indebtedness. No settlement, adjustment, or compromise of any claim for a loss in excess of \$100,000 shall be effective without Mortgagee's prior written approval. If Mortgagor fails to take commercially reasonable action to settle, adjust, or compromise such loss or to reasonably advise Mortgagee of the status of settlement negotiations, Mortgagee shall have the right, upon notice to Mortgagor, to adjust and compromise such loss without the consent of Mortgagor, to collect and receive such proceeds or awards in the name of Mortgagee and Mortgagor and to endorse Mortgagor's name upon any check in payment thereof. Subject to the provisions of Sections 9, 10, and 11 hereof, such proceeds or awards shall be applied first toward reimbursement of all costs and expenses of Mortgagee in collecting said proceeds or awards, then toward payment of the Underlying Indebtedness or any portion thereof, whether or not then due and payable, in the manner provided in the Loan Agreement, or Mortgagee may, at its option, apply said insurance proceeds or condemnation awards in whole or in part toward restoration of the Security for which such insurance proceeds or condemnation awards shall have been paid.

In the event of foreclosure of this Mortgage or other transfer of title to the Security and extinguishment, in whole or in part, of the Underlying Indebtedness, all right title, and interest of Mortgagor in and to any proceeds or payments in satisfaction of claims then pending, shall pass to the purchaser or grantee notwithstanding the amount of any bid at such foreclosure sale. Nothing contained herein shall prevent the accrual of interest as provided in the respective Notes on any portion of the principal balance due under the respective Notes until such time as the insurance proceeds or condemnation awards are actually received and applied to reduce the principal balance outstanding of the Underlying Indebtedness in the manner provided in the Loan Agreement.

9. Restoration Following Fire and other Casualty or Condemnation. In the event of damage to the Security by reason of fire or other hazard or casualty, Mortgagor shall give prompt written notice thereof to Mortgagee and shall proceed with reasonable diligence to

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perform repair, replacement and/or rebuilding work (hereinafter referred to as the "Work") to restore the Security to its condition prior to such damage in full compliance with all legal requirements. In the event of a taking by power of eminent domain or conveyance in lieu thereof ("condemnation"), if restoration is feasible as reasonably determined by Mortgagee, then Mortgagor shall proceed with reasonable diligence to perform such restoration (also referred to as the "Work"). Before commencing the Work which either (x) has an aggregate cost of more than \$100,000 or (y) involves any structural repair, replacement, rebuilding and/or restoration, Mortgagor shall comply with the following requirements:

(a) Mortgagor shall furnish to Mortgagee complete plans and specifications for the Work, for Mortgagee's approval, which approval shall not be unreasonably withheld. Mortgagee shall notify Mortgagor of such approval or disapproval (and the reasons therefor) or its request for additional information within fifteen (15) business days after the receipt of such plans. The failure of Mortgagee to approve or disapprove any such plans and specifications within fifteen (15) business days after (i) receipt by Mortgagee of a notice requesting its approval and (ii) receipt of all additional information reasonably requested by Mortgagee pertaining thereto, shall be deemed approved by Mortgagee; provided that (A) such notice shall state in capitalized letters that: "THE FAILURE TO RESPOND TO THE PROPOSAL SET FORTH HEREIN WITHIN 15 BUSINESS DAYS AFTER RECEIPT OF THIS NOTICE AND ANY REQUESTED ADDITIONAL INFORMATION PERTAINING THERETO SHALL BE DEEMED YOUR APPROVAL TO THE PLANS AND SPECIFICATIONS PREVIOUSLY SUBMITTED" and (B) if Mortgagee shall not respond by such 15th business day, Mortgagor shall send to Mortgagee an additional notice by hand delivery, telex, telecopy or telegram to advise Mortgagee of its failure to respond to the matter, and Mortgagee shall nonetheless fail to approve or disapprove such matter within seven (7) days after its receipt of such additional notice. Said plans and specifications shall bear the signed approval thereof by an architect satisfactory to Mortgagee and shall be accompanied by the architect's signed estimate, bearing the architect's seal, of the entire cost of completing the Work. Anything to the contrary provided in this Paragraph (a) notwithstanding, but without limiting any provision or requirement under other Paragraphs under this Section 9, Mortgagee shall not withhold its approval of any restoration plans that provide for restoration of the Improvements to substantially equivalent condition as existed prior to the applicable casualty.

(b) Mortgagor shall furnish to Mortgagee certified copies of all permits and approvals required by law in connection with the commencement and conduct of the Work.

(c) If Mortgagee requires, Mortgagor shall furnish to Mortgagee, prior to the commencement of the Work, a surety bond for or guaranty of completion of and payment for the Work, which bond or guaranty shall be in form satisfactory to Mortgagee and shall be signed by a surety or sureties, or guarantor or guarantors, as the case may be, who are acceptable to Mortgagee, and in either case for an amount not less than the architect's estimate of the entire cost of completing the Work, less the amount of insurance proceeds or condemnation award, if any, then held by Mortgagee and which Mortgagee shall have elected or be required to apply toward restoration of the Security as provided in Section 10 hereof. If, prior to commencement of the Work, the insurance proceeds or condemnation award has not yet been received, the amount of any surety bond required hereunder shall be based on Mortgagee's estimate of the insurance proceeds or condemnation award which will be forthcoming.

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Mortgagor shall not commence any of the Work which either (x) has an aggregate cost of more than \$100,000 or (y) involves any structural repair, replacement, rebuilding and/or restoration, until Mortgagor shall have complied with the above requirements, and thereafter Mortgagor shall perform the Work diligently and in good faith in accordance with the plans and specifications referred to in subsection (a) above. Mortgagor agrees that if delivery and approval of plans and specifications are not a condition to the commencing of any Work by Mortgagor, Mortgagor shall, upon completion of such Work, deliver to Mortgagee (a) copies of the plans and specification therefor and (b) certified copies of all final permits and approvals required by law in connection with such Work.

If, as provided in Section 10 hereof, Mortgagee shall have elected or is required to apply any insurance proceeds or condemnation awards toward restoration of the Security, then so long as the Work is being diligently performed by Mortgagor in accordance with the provisions of this Mortgage, Mortgagee shall disburse such insurance proceeds or condemnation awards to Mortgagor from time to time during the course of the Work in accordance with the following provisions:

A. The Work shall be in the charge of an experienced construction manager or general contractor reasonably satisfactory to Mortgagee with the consultation of an architect or engineer;

B. Each request for payment shall not be made more often than at thirty (30) day intervals on ten (10) business days prior notice to Mortgagee, and shall be accompanied by a certificate, satisfactory to Mortgagee, of the architect or engineer, dated not more than ten (10) days prior to the application for withdrawal of funds, stating:

- (i) that all of the Work for which payment is being requested is in place and has been completed in compliance with the approved plans and specifications and all applicable legal requirements;
- (ii) that the sum then requested to be withdrawn has been paid by Mortgagor and/or is justly due to contractors, subcontractors, materialmen, engineers, architects or other persons (whose names and addresses shall be stated) who have rendered or furnished certain services or materials for the Work and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the respective amounts so paid or due to each of said persons in respect thereof and stating the progress of the Work up to the date of said certificate;
- (iii) that the sum then requested to be withdrawn, plus all sums previously withdrawn, does not exceed the cost of the Work insofar as actually accomplished up to the date of such certificate;

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- (iv) that the remainder of the moneys held by Mortgagee will be sufficient to pay in full for the completion of the Work;
- (v) that no part of the cost of the services and materials described in the foregoing paragraph (ii) of this Clause B has been or is being made the basis of the withdrawal of any funds in any previous or then pending application; and
- (vi) that, except for the amounts, if any, specified in the foregoing paragraph (ii) of this Clause B to be due for services or materials, there is no outstanding indebtedness known, after due inquiry, which is then due and payable for work, labor, services or materials in connection with the Work which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's or materialman's statutory or other similar lien upon the Security or any part thereof, except amounts for which Mortgagor disputes and for which no lien has been filed, or if a lien has been filed, for which Mortgagor has provided bonding in an amount approved by Mortgagee.

C. Mortgagor shall deliver to Mortgagee satisfactory evidence that the Security and every part thereof, and all materials and all property described in the certificate furnished pursuant to the foregoing Clause B, are free and clear of all mortgages, liens, charges or encumbrances, except (a) encumbrances, if any, securing indebtedness due to persons (whose names and addresses and the several amounts due them shall be stated) specified in said certificate furnished pursuant to the foregoing Clause B, which encumbrances will be discharged upon disbursement of the funds then being requested, and (b) this Mortgage. Mortgagee shall accept as satisfactory evidence under this Clause C a certificate of a title insurance company acceptable to Mortgagee or an endorsement to Mortgagee's existing loan title policy insuring the lien of this Mortgage, dated as of the date of the making of the disbursement, confirming the foregoing.

D. In the event that the Work requires relocation of the foundation(s) for the Improvements, prior to the first advance, Mortgagor shall deliver to Mortgagee a survey of the Real Property and the Improvements dated as of a date within ten (10) days prior to the making of the advance (or revised to a date within ten days prior to the advance and periodically thereafter as Mortgagee shall reasonably request) showing no encroachments other than those, if any, acceptable to Mortgagee.

E. There shall be no Event of Default under this Mortgage, the Guaranty, the Loan Agreement or any other of the Loan Documents, or any state of facts existing which, with the passage of time or the giving of notice, or both, would constitute an Event of Default.

Mortgagee at its option may waive any of the foregoing requirements.

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Upon compliance by Mortgagor with the foregoing Clauses A, B, C, D, and E (except for such requirements, if any, as Mortgagee, at its option, may have waived), Mortgagee shall, to the extent of the insurance proceeds or condemnation award, if any, which Mortgagee shall have elected or be required hereunder to apply to restoration of the Security, pay or cause to be paid to the persons named in the certificate furnished pursuant to the foregoing paragraph (i) of Clause B, the respective amounts stated in said certificate to be due them, less ten percent (10%) retainage, or such other retainage percentage as Mortgagee may approve ("Retainage"), and shall pay to Mortgagor the amounts stated in said certificate to have been paid by Mortgagor, less Retainage.

If upon completion of the Work there shall be insurance proceeds or condemnation awards held by Mortgagee over and above the amounts withdrawn pursuant to the foregoing provisions, plus Retainage, then Mortgagee shall, as long as there shall exist no Event of Default under this Mortgage, the Guaranty, the Loan Agreement or any of the Loan Documents, or any state of facts existing which, with the passage of time or the giving of notice, or both, would constitute an Event of Default, pay over such proceeds to Mortgagor; or if such Event of Default or state of facts exists, then Mortgagee may retain such proceeds or awards and apply the same in reduction of the Underlying Indebtedness in the manner provided in the Loan Agreement.

No trust shall be created as a result of the receipt of insurance proceeds by Mortgagee.

Upon completion of Work, in addition to the requirements of the foregoing Clauses A, B, C, D, and E, Mortgagor shall promptly deliver to Mortgagee:

(a) A written certificate of the architect or engineer that the Work has been substantially completed (subject only to punch list items) in a good and workmanlike manner in accordance with the approved plans and specifications;

(b) A written report and policy of a title insurance company acceptable to Mortgagee insuring the Security against mechanics' and materialmen's liens;

(c) A certificate by Mortgagor in form and substance satisfactory to Mortgagee, listing all costs and expenses in connection with the completion of the Work and the amount paid by Mortgagor with respect to the Work;

(d) A temporary certificate of occupancy and all other applicable certificates, licenses, consents and approvals issued by governmental agencies or authorities with respect to the Security and by the appropriate Board of Fire Underwriters or other similar bodies acting in and for the locality in which the Security is situated, provided that within thirty (30) days after completion of the Work, Mortgagor shall obtain and deliver to Mortgagee a permanent certificate of occupancy for the Security.

Upon receipt of the foregoing items, Mortgagee shall pay any Retainage held by Mortgagee for the benefit of Mortgagor.

Notwithstanding anything to the contrary contained herein, the provisions of this Section shall not apply unless the Work either (x) has an aggregate cost of more than \$100,000 or (y) involves any structural repair, replacement, rebuilding and/or restoration.

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10. Disposition of Condemnation or Insurance Proceeds. Subject to the exceptions set forth below, Mortgagee, in its absolute discretion, may decide whether and to what extent, if any, proceeds of insurance or condemnation will be made available to Mortgagor for repair or restoration of the Security, but Mortgagor shall have no obligation to effect such repair or restoration as provided above if Mortgagee does not make such proceeds available for that purpose. Notwithstanding the foregoing, Mortgagee agrees to make insurance or condemnation proceeds available to Mortgagor for repair or restoration provided:

- (i) Not more than 40% of the net rentable area of the Real Property is rendered untenable, and, in the case of a condemnation, the portion of the Security not taken by condemnation has not, in Mortgagee's sole opinion, been rendered economically nonviable by the taking;
- (ii) There does not then exist an Event of Default, or any state of facts which, with the passage of time or the giving of notice, or both, would constitute an Event of Default;
- (iii) Mortgagor can demonstrate to Mortgagee's satisfaction that Mortgagor has the financial ability to make all scheduled payments when due under the Loan Documents during repair or restoration;
- (iv) The Work can be completed prior to the Maturity Date (as defined in the Loan Agreement);
- (v) The projected net cash flow from the Security shall be sufficient to pay the Impositions and operating expenses relating to the Security and the proportionate share of the debt service relating to the Underlying Indebtedness attributable to the Security, all as reasonably calculated by Mortgagee;
- (vi) The Work will return the Improvements to substantially the size, design, and utility as existed immediately before the casualty; and
- (vii) The proceeds are released under the escrow/construction funding arrangements specified in Section 9 hereof, provided, however, that if Mortgagor can demonstrate to Mortgagee's reasonable satisfaction that the insurance proceeds shall be sufficient to restore and renovate the Security and that the proceeds total less than \$500,000, the requirement of an escrow will be waived.

If Mortgagee is not required and does not elect to make the proceeds available for the Work, then such proceeds shall be applied to reduce the Underlying Indebtedness as provided in the Loan Agreement.

11. Fire and Other Casualty; Self-Help. If within one hundred twenty (120) days after the occurrence of any damage to the Security in excess of \$100,000 or the condemnation of any portion of the Security, Mortgagor shall not have submitted to Mortgagee and received

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Mortgagee's approval of plans and specifications for the Work, which approval shall not be unreasonably withheld, or shall not have obtained approval of such plans and specifications from all governmental authorities whose approval is required, or if, after such plans and specifications are approved by Mortgagee and all such governmental authorities, Mortgagor shall fail to promptly commence the Work, or if thereafter Mortgagor fails to perform the Work diligently or is delinquent in the payment to mechanics, materialmen or others of the costs incurred in connection with the Work, or, in the case of any loss or damage not in excess of \$100,000.00, if Mortgagor shall fail to complete the Work promptly, then, in addition to all other rights herein set forth, and after giving Mortgagor twenty (20) days' written notice of the nonfulfillment of one or more of the foregoing conditions, Mortgagee, or any lawfully appointed receiver of the Security may, at its respective option, perform or cause the Work to be performed, and may take such other steps as it deems advisable to perform the Work, and may enter upon the Security for any of the foregoing purposes, and Mortgagor hereby waives, for Mortgagor and all others holding under Mortgagor, any claim against Mortgagee or such receiver arising out of anything done by Mortgagee or such receiver pursuant to this Section, and Mortgagee may apply insurance proceeds (without the need to fulfill the requirements of Section 9 hereof) to reimburse Mortgagee, and/or such receiver for all amounts expended or incurred by them, respectively, in connection with the performance of the Work, and any excess costs shall be paid by Mortgagor to Mortgagee upon demand, with interest at the Default Rate (as hereinafter defined) and such payment shall be secured by the lien of this Mortgage. "Default Rate" shall mean the higher of (i) 10.54% or (ii) 3% above the "prime rate" announced by The Chase Manhattan Bank from time to time, but in no event higher than the maximum interest rate permitted by law.

12. Rent Insurance Proceeds. If Mortgagor shall promptly commence and diligently perform the Work, and there shall be no Event of Default under the Loan Documents, then Mortgagee shall each month pay to Mortgagor out of the rent insurance proceeds held by Mortgagee a sum equal to that amount, if any, of the rent insurance proceeds paid by the insurer which is allocable to the rental loss for the preceding month. Mortgagee at its option may waive any of the foregoing conditions to the payment of rent insurance proceeds. If Mortgagor does not fulfill the foregoing conditions entitling Mortgagor to monthly disbursements of rent insurance proceeds, then such rent insurance proceeds shall be held by Mortgagee until the earlier to occur of satisfaction of such condition or the occurrence of an Event of Default and acceleration of the Underlying Indebtedness at which time such proceeds may be applied by Mortgagee, at Mortgagee's option, to the payment of the Underlying Indebtedness in the manner provided in the Loan Agreement. No trust fund shall be created as a result of the receipt by Mortgagee of such rent insurance proceeds.

13. Repair; Alterations; Waste. Mortgagor shall keep all of the Security in good and substantial repair, and expressly agrees that it will neither permit nor commit any waste upon the security nor do any other act or suffer or permit any act to be done, whereby the Security will become less valuable or the lien hereof may be impaired and shall comply with all zoning laws, building codes, subdivision laws, environmental laws, and other laws, ordinances, rules and regulations made or promulgated by any government or municipality, or by any agency thereof or by any other lawful authority, which are now or may hereafter become applicable to the Security. Mortgagor agrees not to initiate or consent to any zoning variance or reclassification, without Mortgagee's prior written consent, which consent shall not be unreasonably withheld. The Improvements shall not be altered, removed or demolished nor shall any fixtures, equipment or articles of personal property on, in or about the Improvements be severed, removed, sold or

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mortgaged nor shall any additional building or buildings be constructed on the Land, without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld; provided, however, Mortgagor shall have the right to remove equipment or articles of personal property which have become obsolete provided same are replaced, when necessary or appropriate, with items at least equal in utility and value to the equipment or articles of personal property being removed. In the event that the alterations to the Improvements relating to the Security are either not of a structural nature or require an expenditure of \$250,000 or less, exclusive of any proposed tenant improvements relating to Leases or prospective Leases, then Mortgagee's consent to such alterations shall not be required; provided, however, with respect to any alteration requiring an expenditure in excess of \$100,000, Mortgagor shall give Mortgagee prior notice of such alteration. In the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered hereby, the same shall be replaced promptly by similar fixtures, chattels and articles of personal property at least equal in quality as those replaced, free from any security interest therein or encumbrance thereon or reservation of title thereto.

If Mortgagor suffers or permits any Event of Default to exist under this Section, Mortgagee or a lawfully appointed receiver of the Security at its option, from time to time, may perform, or cause to be performed, any and all repairs and such other work as it deems necessary to bring the Security into compliance with the provisions of this Section and may enter upon the Security for any of the foregoing purposes, and Mortgagor hereby waives any claim against Mortgagee and/or such receiver, arising out of such entry or out of any other act carried out pursuant to this Section. Mortgagor shall upon demand repay to Mortgagee and such receiver, with interest at the Default Rate, all amounts expended or incurred by them, respectively, in connection with any action taken pursuant to this Section, and such repayment shall be secured by the lien of this Mortgage.

Mortgagor represents and warrants that there are and at all times will be sufficient parking spaces to comply with applicable government regulations as part of the Security.

14. Independence of Security. Except as set forth in Schedule 1, Mortgagor shall not by act or omission permit any building or other improvement on premises not subject to the lien of this Mortgage to rely on the Security or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Security or any interest therein to be so used. Similarly, no part of the Security shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Security as a single zoning lot, and as one or more complete tax parcels, separate and apart from all other premises. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this Section shall be void.

15. No Other Liens. Mortgagor shall not consent, agree to, or permit any mortgage, lien, or security interest upon or affecting the Security or any part thereof.

Mortgagor will promptly pay and discharge any and all amounts which are now or hereafter become liens against the Security whether or not superior to the lien hereof or to any assignment of rents and leases given to Mortgagee.

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The covenants of this Section shall survive any foreclosure and sale of the Security and any conveyance thereof by deed in lieu of foreclosure with respect to any such liens in existence as of the date of transfer of title.

16. Management. During the term of the loan secured hereby, Mortgagor shall at all times retain a professional management company to operate and manage the Security. A written management agreement shall be required and the management company and the form and content of the management agreement shall be subject to Mortgagee's approval, which shall not be unreasonably withheld or delayed. No change in such management shall be made without the prior written approval of Mortgagee which shall not be unreasonably withheld or delayed, and any attempted change in management without such consent shall be void. The management of the Security, including any wholly owned and controlled affiliate of Mortgagor and any proposal for direct management by Mortgagor, must be satisfactory to and approved by Mortgagee, provided, however, Mortgagee shall not unreasonably withhold approval of any affiliate of Mortgagor or direct management by Mortgagor. Mortgagee acknowledges that a proposed affiliate of Mortgagor may not have managed or be managing other properties similar to the Security and agrees that Mortgagee will not withhold its consent solely on that basis if, in Mortgagee's sole judgment, such affiliate has adequate resources and appropriately experienced employees to effectively manage the Security. Mortgagor shall use its best efforts to modify the existing management agreement for the Security to provide, and any future management agreement or extension of existing management agreement shall provide, that it is (a) subordinate to the lien of this Mortgage, (b) terminable without cause upon thirty (30) days' prior written notice or upon the foreclosure or Mortgagee's taking control of the Real Property, and (c) may not be modified or amended in any material manner without Mortgagee's prior written approval. Management fees shall not constitute a lien upon the Security and Mortgagee shall have no liability for payment of such fees. Subject to Mortgagee's approval of the form of its management agreement, Mortgagee hereby approves Concord Realty Advisors as manager of the Real Property.

17. Sidewalks, Municipal Charges. Mortgagor will promptly pay and discharge any and all license fees and similar charges, with penalties and interest thereon, which may be imposed by the municipality in which the Security is situated, for the use of vaults, chutes, areas and other space beyond the lot line and under or abutting the public sidewalks in front of or adjoining the Security, and Mortgagor will promptly cure any violation of law and comply with any order of such municipality respecting the repair, replacement or condition of the sidewalk or curb in front of or adjoining the Security, and in default thereof Mortgagee may, upon five (5) days notice to Mortgagor, pay any and all such license fees or similar charges, with penalties and interest thereon, and the charges of the municipality for such repair or replacement, and any amount so paid or advanced by Mortgagee and all costs and expenses incurred in connection therewith (including, without limitation, reasonable attorneys' fees actually incurred and disbursements), with interest thereon at the Default Rate, shall be a demand obligation of Mortgagor to Mortgagee, and, to the extent permitted by law, shall be added to the Obligations and shall be secured by the lien of this Mortgage.

18. Future Leases. Mortgagor will not hereafter make any Lease to any tenant, or amend, modify, terminate, renew or extend any Lease (other than a renewal to which a tenant is entitled under the terms of an existing Lease or contained in a Lease that is subsequently approved by Mortgagee), affecting the Security unless Mortgagee shall first consent in writing to the terms of the Lease and the form thereof, which consent shall not be unreasonably withheld or delayed;

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provided, however, if Mortgagee fails to approve or disapprove any such Lease and the form thereof within fifteen (15) business days after (i) receipt by Mortgagee of a notice requesting its consent and (ii) receipt of all additional information reasonably requested by Mortgagee pertaining thereto, such Lease and the form thereof shall be deemed consented to by Mortgagee; provided that (A) such notice shall state in capitalized letters that: "THE FAILURE TO RESPOND TO THE PROPOSAL SET FORTH HEREIN WITH 15 BUSINESS DAYS AFTER RECEIPT OF THIS NOTICE AND ANY REQUESTED ADDITIONAL INFORMATION PERTAINING THERETO SHALL BE DEEMED YOUR APPROVAL OF THE LEASE AND THE FORM SUBMITTED TO YOU FOR CONSENT" and (B) if Mortgagee shall not respond by such 15th business day, Mortgagor shall send to Mortgagee an additional notice by hand delivery, telex, telecopy or telegram to advise Mortgagee of its failure to respond to the matter and Mortgagee shall nonetheless fail to approve or disapprove such matter within seven (7) days after its receipt of such additional notice.

Notwithstanding the above, office and retail Leases, Lease amendments, modifications, terminations, renewals or extensions that satisfy all of the following conditions shall be deemed to have been preapproved by Mortgagee:

- (a) The lease shall be on the standard form approved by Mortgagee except for reasonable negotiated changes; and
- (b) The gross leasable area of the space demised under the lease shall be equal to or less than the square footage on one full floor (including any expansion options or rights of first refusal) in the Building; and
- (c) The term of the Lease shall be less than or equal to 11 years (including renewal or extension options); and
- (d) The effective rent is not less than the fair market rent for comparable space in a comparable building in the area in which the Real Property is located; and
- (e) The Lease shall not grant an option or right of first refusal with respect to purchase of all or any portion of the Real Property; and
- (f) With respect to any obligation to rebuild the premises in the event of casualty, the Lease shall not conflict with the provisions hereof regarding repair and restoration after a casualty or condemnation.

All Leases must be subordinate to the lien of this Mortgage unless Mortgagee otherwise specifies or as provided herein. Without limiting the foregoing, Mortgagee hereby reserves the right to subordinate this Mortgage to any Lease subsequently made by recording with the Clerk and Recorder of the County in which this Mortgage is recorded a declaration to that effect, executed by Mortgagee, which declaration once so recorded shall be binding upon the tenant under such Lease and such tenant's successors and assigns. Mortgagee may require a subordination, nondisturbance and attornment agreement, in the form attached hereto as Exhibit B (or with such modifications as Mortgagee may reasonably require) for each Lease executed subsequent to the Deed of Trust. Mortgagee agrees, upon Mortgagor's request, to enter into a

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subordination, non-disturbance and attornment agreement on such form with any tenant whose Lease which is approved by Lender (or for which no approval by Lender is required) and which covers at least one floor in the Building.

Mortgagor will furnish to Mortgagee a true and complete copy of each Lease, amendment, modification, extension, or renewal thereof, hereafter made by Mortgagor with respect to space in the Security within ten (10) days after delivery of each such Lease, amendment, modification, extension, or renewal by the parties thereto. Mortgagor shall also promptly furnish to Mortgagee an original mortgagee attornment agreement executed by each tenant and an original estoppel, addressed to Mortgagee, from each tenant in form and substance reasonably satisfactory to Mortgagee.

Mortgagor will from time to time upon demand of Mortgagee, confirm in writing the assignment to Mortgagee of any or all Leases of the Land and space in the Improvements, and such written confirmation shall be in such form as Mortgagee shall require and as shall be necessary to make the same recordable.

19. Trust Funds. (a) Mortgagor will receive the advances secured hereby and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of such advances for any other purpose.

(b) All Lease securities of tenants at the Real Property shall be treated as trust funds not to be commingled with any other funds of Mortgagor and such Lease securities shall, at Mortgagee's discretion, be deposited in a segregated tenants' security account to be maintained by Mortgagor at a depository designated by Mortgagee. Within ten (10) days after request by Mortgagee, Mortgagor shall furnish to Mortgagee, satisfactory evidence of compliance with this subsection (b), together with a statement of all Lease securities deposited by tenants and copies of all Leases not theretofore delivered to Mortgagee which are required to be provided under this Mortgage, certified by an authorized representative of Mortgagor to be true, correct and complete copies thereof.

20. Leases; Foreclosure; Collateral Assignment of Leases. Any proceedings or other steps taken by Mortgagee to foreclose this Mortgage, or otherwise to protect the interests of Mortgagee hereunder, shall not operate to terminate the rights of any present or future tenant of space in the Improvements, notwithstanding that said rights may be subject and subordinate to the lien of this Mortgage, unless Mortgagee specifically elects otherwise in the case of any particular tenant. The failure to make any such tenant a defendant in any such foreclosure proceeding and to foreclose such tenant's rights will not be asserted by Mortgagor or any other defendant in such foreclosure proceeding and to foreclose such tenant's rights will not be asserted by Mortgagor or any other defendant in such foreclosure proceeding as a defense to any proceeding instituted by Mortgagee to foreclose this Mortgage or otherwise protect the interests of Mortgagee hereunder.

All rights, title and interest of Mortgagor in and to all Leases, including, without limitation, oil and gas Leases, if any, together with any and all further Leases upon all or any part of the Real Property and the rents, income, receipts and profits therefrom have been transferred and assigned simultaneously herewith to Mortgagee as further security for the performance of the Obligations under provisions of a certain Assignment of Lessor's Interest in Leases of even date

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herewith executed by Mortgagor and to be recorded simultaneously herewith, the terms, covenants and conditions of which are hereby expressly incorporated herein by reference and made a part hereof, with the same force and effect as though the same were more particularly set forth herein.

21. Restrictive Covenants.

(a) Except for permitted encumbrances, Mortgagor shall not, without the prior written consent of Mortgagee in each instance, initiate, join in or consent to any restrictive covenant, zoning ordinance, zoning, land use, air rights and development agreements or any other public or private restrictions (or to any changes to any of the foregoing), limiting or defining the uses which may be made of the Real Property and/or the Improvements or any part thereof.

(b) Without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed, there shall be no drilling or exploring for, or extraction, removal or production of minerals from, the surface or subsurface of the Real Property. The term "minerals" as used herein shall include, without limitation, oil, natural gas, casinghead gas, coal, lignite, hydrocarbons, methane, carbon dioxide, helium, uranium and all other natural elements, compounds and substances, including sand and gravel.

22. Events of Default. Each of the following shall constitute an "Event of Default" hereunder and shall entitle Mortgagee to exercise its remedies hereunder and under any of the other Loan Documents or as otherwise provided by law:

(a) Any payment due under the Guaranty relating to the Underlying Indebtedness, or payment of any escrow deposit under Section 5 of this Mortgage is not received by Mortgagee within five (5) business days following the date when such payment was due, or any other payment of money or indebtedness as required by this Mortgage or any other Loan Document is not received when due and remains unpaid for thirty (30) days or more after notice of such default by Mortgagee to Mortgagor;

(b) Failure of Mortgagor in the observance or performance of any covenant, promise or agreement provided in this Mortgage or in any other Loan Document other than relating to the payment of indebtedness or money ("failure to perform") for thirty (30) days after notice by Mortgagee to Mortgagor specifying the nature of the failure to perform; provided, however, that if the nature of such failure to perform is such that the same cannot be cured within such thirty (30) day period, such failure to perform shall not be deemed an Event of Default if Mortgagor shall within such period commence to cure that failure to perform and thereafter diligently prosecute the cure to completion, but in no event more than one hundred eighty (180) days in the aggregate. Notwithstanding anything contained herein to the contrary, the notice and cure period provided under this clause (b) shall not be applicable to and shall not be in addition to any specific notice and cure or notice to perform period provided under any other provision of this Mortgage, and the specific notice and cure or notice to perform period provided for in such provision shall control, and a failure by Mortgagor to cure a default or comply by its performance under such provision within the applicable cure or performance period shall be an Event of Default under this Mortgage;

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(c) Any representation, warranty, or statement of Mortgagor or Borrower contained herein or in any of the Loan Documents, or in any writing delivered to Mortgagee on or before the execution and delivery of the Loan Documents, including, without limitation, that certain Environmental Indemnification Agreement dated as of even date herewith from Mortgagor and Borrower in favor of Mortgagee, proves to be untrue or inaccurate in any material respect as of the date when made and the condition or state of facts rendering such representations or warranty untrue or inaccurate is not remedied by Mortgagor within thirty (30) days after notice by Mortgagee to Mortgagor;

(d) There is any default beyond any applicable notice, grace and/or cure period under the Loan Agreement, the Collateral Agreements (as defined in the Loan Agreement) or the Notes.

(e) Without the prior written consent of Mortgagee in each instance or as permitted by this Mortgage, (i) the Security or any portion thereof, or interest therein, shall be mortgaged, encumbered, sold, assigned, pledged, conveyed or otherwise transferred by Mortgagor or by operation of law or (ii) there is a transfer in violation of Section 8.5 of the Loan Agreement.

23. Remedies upon Default. Immediately upon the occurrence of any Event of Default, Mortgagee shall have the option, in addition to and not in lieu of or substitution for all other rights and remedies provided in this Mortgage or any other Loan Document or provided by law or in equity, and is hereby authorized and empowered by Mortgagor, to do any or all of the following:

(a) Declare without notice the entire unpaid amount of the Underlying Indebtedness and Obligations, immediately due and payable and, at Mortgagee's option, (i) to bring suit therefor, or (ii) to bring suit for any delinquent payment of or upon the Underlying Indebtedness and Obligations, or (iii) to take any and all steps and institute any and all other proceedings at law or in equity that Mortgagee deems necessary to enforce payment of the Underlying Indebtedness, the Obligations and performance of other obligations secured hereunder and to protect the lien of this Mortgage.

(b) Commence foreclosure proceedings against the Security, in a single parcel or in several parcels, through a sale by Mortgagee or by judicial proceedings, by advertisement or as otherwise provided by law, at the option of Mortgagee, pursuant to the statutes in such case made and provided, and to sell the Security or to cause the same to be sold at public sale, and to convey the same to the purchaser, in accordance with said statutes in a single parcel or in several parcels at the option of Mortgagee.

(c) Proceed against the Personal Property in accordance with Mortgagee's rights and remedies with respect to the Personal Property, including, to the extent permitted by applicable law, the right to sell the Personal Property together with the Real Property, separately and without regard to the remainder of the Security in accordance with Mortgagee's rights and remedies provided by the UCC as well as other rights and remedies available at law or in equity.

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(d) Cause to be brought down to date a title examination and tax histories of the Security, procure title insurance or title reports or, if necessary, procure new abstracts and tax histories.

(e) Procure an updated or entirely new environmental audit of the Security including building, soil, ground water and subsurface investigations; have the Improvements inspected by an engineer or other qualified inspector and procure a building inspection report; procure an MAI or other appraisal of the Security or any portion thereof; enter upon the Security at any time and from time to time to accomplish the foregoing and to show the Security to potential purchasers and potential bidders at foreclosure sale; make available to potential purchasers and potential bidders all information obtained pursuant to the foregoing and any other information in the possession of Mortgagee regarding the Security.

(f) To the extent permitted by applicable law, either by itself or by its agent to be appointed by it for that purpose or by a receiver appointed by a court of competent jurisdiction, as a matter of strict right, without notice and without regard to the adequacy or value of any security for the Obligations or the solvency of any party bound for its payment, to take possession of and to operate the Security, Mortgagor hereby waiving, to the extent permitted by applicable law, any right Mortgagor might have to object to or oppose any such possession and, whether or not Mortgagee has taken possession of the Security, to collect and apply the Permits, including those past due and unpaid, after payment of all necessary charges and expenses, in reduction of the Underlying Indebtedness. The receiver shall have all of the rights and powers permitted under the laws of the State in which the Real Property is located. Except for damage caused by Mortgagee's willful misconduct or gross negligence, Mortgagor hereby waives any claim Mortgagor may have against Mortgagee for mismanagement of the Security during Mortgagee's operation of the Security under this subparagraph or as mortgagee in actual possession under applicable statutes.

(g) Mortgagee may, at its option, without waiving any Event of Default, pay, perform or observe the same, and all payments made or costs or expenses incurred by Mortgagee in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Mortgagor to Mortgagee with interest thereon at the Default Rate. Mortgagee shall be the sole judge of the necessity for any such actions and of the amounts to be paid. Mortgagee is hereby empowered to enter and to authorize others to enter upon the Security or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without hereby becoming liable to Mortgagor or any person in possession holding under Mortgagor except for willful misconduct or gross negligence of Mortgagee.

(h) Apply against the Underlying Indebtedness as provided in the Loan Agreement any funds held for the benefit of Mortgagor in escrow by Mortgagee or by any third-party escrow agent under any of the Loan Documents, including, without limitation, any funds held under the escrow established by Section 5 of this Mortgage.

(i) Upon any foreclosure sale, Mortgagee may bid for and purchase the Security and shall be entitled to apply all or any part of the Underlying Indebtedness as a

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credit to purchase price. In the event of any sale of the Security by foreclosure, through judicial proceedings, by advertisement or otherwise, the proceeds of any such sale which are applied in accordance with this Mortgage shall be applied as provided in the Loan Agreement with the surplus, if any, to the person or persons legally entitled thereto.

Failure to exercise any option to accelerate in the Event of a Default or other circumstance permitting the exercise of such option, shall not constitute a waiver of the default or of the right to exercise such option at a later time, or a waiver of the right to exercise such option in the event of any other default or circumstance specified above.

24. Waiver of Statutory Rights. (a) Mortgagor agrees, to the full extent permitted by law, that in an Event of Default on the part of Mortgagor hereunder, neither Mortgagor nor anyone claiming through or under Mortgagor will set up, claim, or seek to take advantage of any moratorium, reinstatement, forbearance, appraisal, valuation, stay, homestead, extension, exemption or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the sale of the Security, or the delivery of possession thereof immediately after such sale to the purchaser at such sale, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully do so, the benefit of all such laws, and any and all rights to have the assets subject to the security interest of this Mortgage marshaled upon any foreclosure or sale under the power granted herein.

(b) WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MORTGAGOR HEREBY SPECIFICALLY WAIVES ALL RIGHTS OF REDEMPTION FROM SALE PURSUANT TO ANY ORDER OR DECREE OF FORECLOSURE OF THIS MORTGAGE ON ITS OWN BEHALF AND ON BEHALF OF EACH OWNER OF REDEMPTION, AS DEFINED IN SECTIONS 5/15-1212 OF THE ILLINOIS CODE OF CIVIL PROCEDURE (735 ILCS 5/15-1212), AND ALL OTHER PERSONS, TO THE FULL EXTENT PERMITTED BY SECTION 5/15-1601 OF THE ILLINOIS CODE OF CIVIL PROCEDURE (735 ilcs 5/15-1601) AND ANY SUCCESSOR PROVISIONS.

25. Security Interest. This Mortgage shall, as to any equipment and other Personal Property covered hereby, be deemed to constitute a security agreement, and Mortgagor, as debtor, hereby grants to Mortgagee, as secured party, a security interest therein pursuant to the UCC. Mortgagor agrees, upon request of Mortgagee, to furnish an inventory of Personal Property owned by Mortgagor and subject to this Mortgage and, upon request by Mortgagee, to execute any supplements to this Mortgage, any separate security agreement and any financing statements and continuation statements in order to include specifically said inventory of Personal Property or otherwise to perfect the security interest granted hereby. Upon any Event of Default, Mortgagee shall have all of the rights and remedies provided in the UCC or otherwise provided by law or by this Mortgage, including but not limited to the right to require Mortgagor to assemble such Personal Property and make it available to Mortgagee at a place to be designated by Mortgagee which is reasonably convenient to both parties, the right to take possession of such Personal Property with or without demand and with or without process of law and the right to sell and dispose of the same and distribute the proceeds according to law. The parties hereto agree that any requirement of reasonable notice shall be met if Mortgagee sends such notice to Mortgagor at least ten (10) days prior to the date of sale, disposition or other event giving rise to the required notice, and that the proceeds of any disposition of any such Personal Property may be applied by

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Mortgagee first to the reasonable expenses in connection therewith, including reasonable attorneys' fees and legal expenses actually incurred, and then to payment of the Underlying Indebtedness in the manner provided in the Loan Agreement. With respect to the Personal Property that has become so attached to the Real Property that an interest therein arises under the real property law of the State, this instrument, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of Sections 9-313 and 9-402 of the UCC. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or, as to the specific statutory consequences now or hereafter enacted and specified in the UCC, all at the Mortgagee's sole election.

26. Right of Entry. Mortgagee and Mortgagee's representatives may at all reasonable times and with at least contemporaneous notice to Mortgagor enter upon the Security and inspect the same, or cause it to be inspected by agents, employees, or independent contractors of Mortgagee, and show the same to others, but Mortgagee shall not be obligated to make any such entry or inspection.

27. Estoppel Certificate. Mortgagor, within fifteen (15) days after written request from Mortgagee, will furnish a signed statement in writing, duly acknowledged, of the amount then due or outstanding hereunder and whether or not any offsets or defenses exist against the Obligations, and if so, specifying such offsets and defenses. Upon request by Mortgagee, Mortgagor shall exercise any right it may have to request an estoppel certificate for any or all of the tenants on the Security within five (5) days following Mortgagee's request.

28. Annual Statements. Mortgagor shall, within ninety (90) days after the end of each fiscal year of Mortgagor, deliver to Mortgagee (a) annual statements audited and certified by an independent certified public accountant reasonably satisfactory to Mortgagee and prepared in accordance with generally accepted accounting principles, showing in detail (1) a balance sheet for the Security as of the last day of such fiscal year, (2) a statement of earnings from the Security for such fiscal year showing, among other things, all rents and other income therefrom and all expenses paid or incurred in connection with the operation of the Security, (3) a cash flow statement for the Security; and (b) a statement signed by Mortgagor listing all Leases of space in the Improvements as of the last day of such fiscal year, the respective areas demised thereunder, the names of the tenants, the respective expiration dates of the Leases, the respective rentals provided for therein, and such other information as may reasonably be requested by Mortgagee.

Notwithstanding anything herein to the contrary, for so long as title to the Real Property remains with Mortgagor and there is no Event of Default or any state of facts existing which, with the passage of time or the giving of notice, or both, would constitute an Event of Default, then in lieu of the opinion from certified public accountants, Mortgagee will accept financial statements containing the information set forth in the preceding paragraph, in form and substance satisfactory to Mortgagee signed by Mortgagor's chief financial officer or authorized general partner.

If Mortgagor omits to prepare and deliver promptly any report required by this Section, Mortgagee may elect, in addition to exercising any remedy for an Event of Default as provided for in this Mortgage, to make an audit of all books and records of Mortgagor and its beneficiaries, including without limitation their bank accounts, which in any way pertain to the Security, and to prepare the statement or statements which Mortgagor failed to procure and deliver. Such audit

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shall be made and such statements shall be prepared by an independent Certified Public Accountant to be selected by Mortgagee. Mortgagor shall pay all reasonable expenses of the audit and other services, which expenses shall be secured hereby as part of the Obligations and shall be immediately due and payable with interest thereon at the Default Rate set forth herein.

Mortgagee shall afford any information received pursuant to this Section the same degree of confidentiality that Mortgagee affords similar information proprietary to Mortgagee; provided, however, that Mortgagee shall have the unconditional right to disclose, as necessary, any such information in the event Mortgagee sells, transfers, conveys, or assigns the Deed of Trust or any portion of the Underlying Indebtedness.

29. Rights Cumulative. Each right and remedy of Mortgagee under this Mortgage, the Guaranty, the Notes, the Loan Agreement and any other Loan Documents, shall be in addition to every other right and remedy of Mortgagee and such rights and remedies may be enforced separately or in any combination.

30. Subrogation. To the extent that proceeds of the Underlying Indebtedness are used to pay any outstanding lien, charge or encumbrance affecting the Security, such proceeds have been advanced by Mortgagee at Mortgagor's request, and Mortgagee shall be subrogated to all rights, interest and liens owned or held by any owner or holder of such outstanding liens, charges and encumbrances, irrespective of whether such liens, charges or encumbrances are released of record; provided, however, that the terms and provisions hereof shall govern the rights and remedies of Mortgagee and shall supersede the terms, provisions, rights, and remedies under the lien or liens to which Mortgagee is subrogated hereunder.

31. No Waiver. Any failure by Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions hereof shall not be deemed to be a waiver of any of the terms and provisions hereof, and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions hereof to be performed by Mortgagor.

32. Extension of Mortgage. The lien hereof shall remain in full force and effect during any postponement or extension of the time of payment of the Obligations or the Underlying Indebtedness, or of any part thereof, and any number of extensions or modifications hereof, or any additional notes taken by Mortgagee, shall not affect the lien hereof or the liability of Mortgagor or of any subsequent obligor to pay and perform the Obligations unless and until such lien or liability be expressly released in writing by Mortgagee.

33. Indemnification. Mortgagor shall indemnify and hold Mortgagee harmless from and against all obligations, liabilities, losses, costs, expenses, fines, penalties or damages (including reasonable attorneys' fees and disbursements) which Mortgagee may actually incur by reason of this Mortgage or with regard to the Security prior to the exercise of any remedies under this Mortgage other than loss, obligations, liabilities, costs, expenses, fines, penalties or damages caused by Mortgagee's willful misconduct or gross negligence. Mortgagor shall defend Mortgagee against any claim or litigation involving Mortgagee for the same, and should Mortgagee incur such obligation, liability, loss, cost, expense, fine, penalty or damage, then Mortgagor shall reimburse Mortgagee upon demand. Any amount owed Mortgagee under this provision shall bear interest at the Default Rate set forth herein and shall be secured hereby.

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34. Attorneys' Fees. Any reference to "attorney fees", "attorneys' fees", or "attorney's fees" in this document includes, but is not limited to, the fees, charges and costs actually incurred by Mortgagee through Mortgagee's retention of outside legal counsel and the reasonably allocable fees, costs and charges for services actually rendered by Mortgagee's in-house counsel. Any reference to "attorney fees", "attorneys' fees", or "attorney's fees", shall also include but not be limited to those attorneys or legal fees, costs and charges incurred by Mortgagee in the collection of the Underlying Indebtedness, the enforcement of the Obligations, the protection of the Security, the foreclosure of this Mortgage, the sale of the Security, the defense of actions arising hereunder and the collection, protection or setoff of any claim Mortgagee may have in a proceeding under Title 11, United States Code. Attorneys Fees' provided for hereunder shall accrue whether or not Mortgagee has provided notice of default or of an intention to exercise its remedies for such default.

35. Governmental Charges. Mortgagor shall pay all taxes (except federal and state income taxes) or other governmental charges or impositions imposed by any governmental authority on Mortgagee by reason of its interest in the Loan Documents.

36. Protection of Security: Costs and Expenses. Mortgagor shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee, and shall pay all costs and expenses, including, without limitation, cost of evidence of title and reasonable attorneys' fees and disbursements actually incurred, in any such action or proceeding in which Mortgagee may appear, and in any suit brought by Mortgagee to foreclose this Mortgage or to enforce or establish any other rights or remedies of Mortgagee hereunder. If Mortgagor fails to perform any of the covenants or agreements contained in this Mortgage, or if any action or proceeding is commenced which affects Mortgagee's interest in the Security or any part thereof, including, but not limited to, eminent domain, code enforcement, or proceedings of any nature whatsoever under any federal or state law, whether now existing or hereafter enacted or amended, relating to bankruptcy, insolvency, arrangement, reorganization or other form of debtor relief, or to a decedent, then Mortgagee may, but without obligation to do so and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereunder, make such appearances, disburse such sums and take such action as Mortgagee deems necessary or appropriate to protect Mortgagee's interest, including, but not limited to, disbursement of reasonable attorneys' fees and disbursements actually incurred, entry upon the Security to make repairs or take other action to protect the security hereof, and payment, purchase, contest or compromise of any encumbrance, charge or lien which in the judgment of Mortgagee appears to be prior or superior hereto. Mortgagor further agrees to pay all reasonable expenses of Mortgagee (including, without limitation, fees and disbursements of counsel) actually incurred in the protection of the rights of Mortgagee hereunder, or to enforcement or collection of payment of the Obligations or the Underlying Indebtedness, whether by judicial or non-judicial proceedings, or in connection with any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding of Mortgagor, or otherwise. Any amounts disbursed by Mortgagee pursuant to this Section shall be additional indebtedness of Mortgagor secured by this Mortgage and the other Loan Documents as of the date of disbursement and shall bear interest at the Default Rate. All such amounts shall be payable by Mortgagor immediately without demand. Nothing contained in this Section shall be construed to require Mortgagee to incur any expense, make any appearance, or take any other action.

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37. Notices. Any notice, demand, request, statement or consent made hereunder shall be in writing, signed by the party giving such notice, request, demand, statement, or consent, and shall be deemed to have been properly given when either delivered personally, delivered to a reputable overnight delivery service providing a receipt or deposited in the United States mail, postage prepaid and registered or certified return receipt requested, at the address set forth below, or at such other address within the continental United States of America as may have theretofore been designed in writing. The effective date of any notice given as aforesaid shall be the date of personal service, one (1) business day after delivery to such overnight delivery service, or three (3) business days after being deposited in the United States mail, whichever is applicable. For purposes hereof, the addresses are as follows:

If to Mortgagee:

Stichting Pensioenfonds voor de Gezondheid
Geestelijke en Maatschappelijke Belangen
Kroostweg-Noord 149
3704 DV Zeist, The Netherlands.
Attention: Mr. Jan van der Vlist

with a courtesy copy to:

Richards & O'Neil, LLP
885 Third Avenue
New York, NY 10022
Attention: Robert M. Safion, Esq.

If to Mortgagor:

c/o Cornerstone Properties Inc.
126 East 56th Street
New York, NY 10022
Attention: Mr. Kevin Mahoney

with a courtesy copy to:

King & Spalding
191 Peachtree Street
48th Floor
Atlanta, GA 30303
Attention: William B. Fryer, Esq.

Notwithstanding the foregoing agreement to provide a courtesy copy to Mortgagor's attorneys, such copy shall be a courtesy copy only, and failure to provide such courtesy copy shall have absolutely no effect or entitle Mortgagor to any remedy whatsoever. Any notice duly given to Mortgagor shall be effective whether or not the courtesy copy was given to Mortgagor's attorneys.

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38. Release. Upon payment of all sums secured by this Mortgage or pursuant to the terms of Section 2.5 of the Loan Agreement, Mortgagee shall deliver a satisfaction of this Mortgage to Mortgagor and shall deliver the Guaranty to Mortgagor. Mortgagor shall pay all costs of recordation relating thereto.

39. Applicable Law. The provisions hereof shall be construed in accordance with the laws of the State in which the Real Property is located (the "State").

40. ERISA Compliance. Mortgagor represents and warrants that the consummation of the transaction contemplated hereunder shall not, and will not, constitute a prohibited transaction, either directly or indirectly, under the provisions of Section 4975(c) of the Internal Revenue Code of 1986, as amended (the "IRC") or Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and that Mortgagee will not be considered a "disqualified person" as defined in Section 4975(e) of the IRC or a "party in interest" as defined in Section 3(14) of ERISA.

41. Right of Set-Off. Mortgagor hereby irrevocably authorizes and directs Mortgagee, from time to time, to charge Mortgagor's accounts and deposits with Mortgagee or any affiliate or subsidiary of Mortgagee (general or special, time or demand, provisional or final), other than tenant security accounts, maintained with Mortgagee or any affiliate or subsidiary of Mortgagee and to pay over to Mortgagee an amount equal to any amounts from time to time due and payable to Mortgagee hereunder or under any of the other Loan Documents.

42. Binding Obligations. The provisions and covenants of this Mortgage shall run with the land, shall be binding upon Mortgagor and shall inure to the benefit of Mortgagee, subsequent holders of this Mortgage and the respective successors and assigns of the foregoing. For the purpose of this Mortgage, the term "Mortgagor" shall include and refer to Mortgagor named herein, any subsequent owners of the Security (or any part thereof or interest therein), and their respective heirs, executors, legal representatives, successors and assigns. If there is more than one mortgagor, all their undertakings hereunder shall be deemed joint and several.

43. Further Assurances. Mortgagor shall do, execute, acknowledge and deliver, at the sole cost and expense of Mortgagor, all and every such further acts, deeds, conveyances, mortgages, assignments, estoppel certificates, notices of assignment, transfers and assurances as Mortgagee may require, from time to time, in order to better assure, convey, grant, assign, transfer and confirm unto Mortgagee, the rights now or hereafter intended to be granted to Mortgagee under this Mortgage, any other instrument executed in connection with this Mortgage or any other instrument under which Mortgagor may be or may hereafter become bound to convey, mortgage or assign to Mortgagee for carrying out the intention of facilitating the performance of the terms of this Mortgage.

44. Waiver of Jury Trial. To the extent permitted by applicable law, Mortgagor and Mortgagee hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Mortgage and Mortgagor also waives the right in any such action, proceeding or counterclaim to interpose counterclaims or set-offs of any kind or description.

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45. Invalidity. If any provision of this Mortgage shall be held invalid or unenforceable, the same shall not affect in any respect whatsoever the validity of the remainder of this Mortgage, except that if such provision relates to the payment of a monetary sum, then Mortgagee may, at its option, declare the Obligations and the Underlying Indebtedness due and payable upon sixty (60) days' prior written notice to Mortgagor.

46. Captions. The captions in this instrument are inserted only as a matter of convenience and for reference, and are not and shall not be deemed to be any part hereof.

47. Modifications. This Mortgage may not be changed or terminated except in writing by both parties. The provisions of this Mortgage shall extend and be applicable to all renewals, amendments, extensions, consolidations, and modifications, of the other Loan Documents, and any and all references herein to the Loan Documents shall be deemed to include any such renewals, extensions, amendments, consolidations, or modifications thereof.

48. Bind and Inure. The provisions of this Mortgage shall be binding on Mortgagor and its heirs, successors and assigns, and any subsequent owners of the Security. The covenants of Mortgagor herein shall run with the land, and this Mortgage and all of the covenants herein contained shall inure to the benefit of Mortgagee, its successors and assigns.

49. Time of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Mortgagor under this Mortgage, the Guaranty and any of the other Loan Documents.

50. Loan Agreement. This Mortgage is subject to all of the terms and provisions of the Loan Agreement, including, without limitation, the provisions of the Loan Agreement entitling Mortgagee at its option to declare the Underlying Indebtedness and the Obligations secured hereby immediately due and payable, all of which provisions are incorporated herein with the same force and with like effect as if they were fully set forth herein at length and made a part hereof. In the event of any conflict between the Loan Agreement and this Mortgage, the provisions of the Loan Agreement shall control.

51. Collateral Protection. UNLESS MORTGAGOR PROVIDES MORTGAGEE WITH EVIDENCE OF INSURANCE COVERAGE REQUIRED BY THE LOAN DOCUMENTS, MORTGAGEE MAY PURCHASE INSURANCE AT MORTGAGOR'S EXPENSE TO PROTECT MORTGAGEE'S INTEREST IN THE PROPERTY. THIS INSURANCE MAY, BUT NEED NOT, PROTECT MORTGAGOR'S INTEREST. THE COVERAGE THAT MORTGAGEE MAY PURCHASE MAY NOT PAY ANY CLAIM THAT MORTGAGEE MAKES OR ANY CLAIM THAT IT MIGHT MAKE AGAINST MORTGAGOR IN CONNECTION WITH THE PROPERTY. MORTGAGOR SHALL LATER CANCEL ANY INSURANCE PURCHASED BY MORTGAGEE BUT ONLY AFTER PROVIDING MORTGAGEE WITH EVIDENCE THAT MORTGAGOR HAS OBTAINED INSURANCE AS REQUIRED BY THE LOAN DOCUMENTS. IF MORTGAGEE PURCHASES INSURANCE FOR THE PROPERTY, MORTGAGOR WILL BE RESPONSIBLE FOR THE COST OF THAT INSURANCE, INCLUDING INTEREST AND OTHER CHARGES MORTGAGEE MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COST OF THE INSURANCE MAY BE ADDED TO MORTGAGOR'S TOTAL

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SECURED OBLIGATION. THE COST OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE MORTGAGOR MAY BE ABLE TO OBTAIN ON ITS OWN. BY EXECUTING THIS DOCUMENT, MORTGAGOR ACKNOWLEDGES THE FOREGOING.

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IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage as of the date first above written.

DEARBORN INTERESTS

By: DIHC DEARBORN PROPERTIES, INC.

By: John S. Moody
Name: John S. Moody
Title: President

By: DIHC MARBLE PLACE PROPERTIES, INC.

By: John S. Moody
Name: John S. Moody
Title: President

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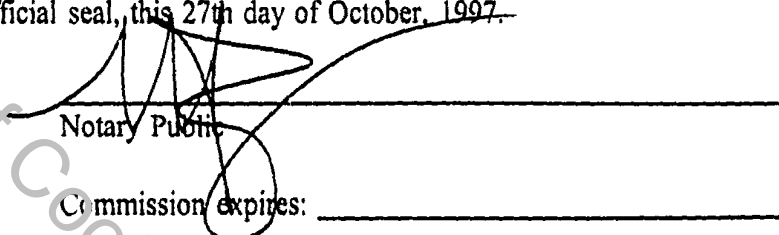
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97871432

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that John S. Moody personally known to me to be the President of DIHC DEARBORN PROPERTIES, INC., a Delaware corporation, General Partner of DEARBORN INTERESTS, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President he signed and delivered the said instrument pursuant to authority given by the Board of Directors of said corporation, as his 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 by hand and official seal, this 27th day of October, 1997.



Notary Public
Commission expires: _____

(SEAL)

MICHAEL L. PERRY
NOTARY PUBLIC, State of New York
No. 01PE5039358
Qualified in Nassau County 99
Commission Expires Feb. 21, 19__

Notary Public

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STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that John S. Moody personally known to me to be the President of DIHC MARBLE PLACE PROPERTIES, INC., a Delaware corporation, General Partner of DEARBORN INTERESTS, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President he signed and delivered the said instrument pursuant to authority given by the Board of Directors of said corporation, as his 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.

Notary Public

Commission expires: _____

(SEAL)

MICHAEL L. PERRY
NOTARY PUBLIC, State of New York
No. 01PE5039358
Qualified in Nassau County
Commission Expires Feb. 21, 1999

Notary Public

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EXHIBIT A
(LEGAL DESCRIPTION)

Lots 5, 6, 7, and that part of lot 8 lying east of the east line of Dearborn Street, (excepting therefrom the north 9 feet of said lots taken for alley) in Block 141 in School Section Addition to Chicago in Section 16, Township 39 North, Range 14 east of the third principal Meridian in Cook County, Illinois.

- 17-16-213-012-0000
- 17-16-213-013-0000 —
- 17-16-213-014-0000 —
- 17-14-213-015-0000 —

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EXHIBIT B

FORM OF SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

Tenant Name: _____
Trade Name: _____
Premises: _____

THIS AGREEMENT is dated the _____ day of _____, 19__, and is made between _____ ("Mortgagee"), _____, d/b/a _____, having an address of _____ ("Tenant"), and _____, having an address of _____ ("Landlord").

RECITALS:

A. Tenant has entered into a lease ("Lease") dated _____, 19__ with _____ as lessor ("Landlord"), covering the premises known as (the "Premises") within the property known as _____, more particularly described as shown on Exhibit A, attached hereto (the "Real Property").

B. Mortgagee has agreed to make or has made a mortgage loan in the amount of _____ to Landlord, secured by a mortgage of the Real Property (the "Mortgage"), and the parties desire to set forth their agreement herein.

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The Lease and all extensions, renewals, replacements or modifications thereof are and shall be subject and subordinate to the Mortgage and all terms and conditions thereof insofar as it affects the Real Property of which the Premises form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof, to the full extent of amounts secured thereby and interest thereon.

2. Tenant shall attorn to and recognize any purchaser at a foreclosure sale under the Mortgage, any transferee who acquires the Premises by deed in lieu of foreclosure, and the successors and assigns of such purchaser(s), as its landlord for the unexpired balance (and any extensions, if exercised) of the term of the Lease on the same terms and conditions set forth in the Lease.

3. If it becomes necessary to foreclose the Mortgage, Mortgagee shall neither terminate the Lease nor join Tenant in summary or foreclosure proceedings nor disturb the

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possession of Tenant to the Premises so long as Tenant is not in default under any of the terms, covenants, or conditions of the Lease.

4. If Mortgagee succeeds to the interest of Landlord under the Lease, Mortgagee shall not be:

- a. liable for any act or omission of any prior landlord (including Landlord);
- b. liable for the return of any security deposit unless such deposit has been delivered to Mortgagee by Landlord or is in an escrow fund available to Mortgagee;
- c. subject to any offsets or defenses that Tenant might have against any prior landlord (including Landlord);
- d. bound by any rent or additional rent that Tenant might have paid for more than the current month to any prior landlord (including Landlord);
- e. bound by any amendment, modification, or termination of the Lease made without Mortgagee's consent (where the consent of Mortgagee was required);
- f. personally liable under the Lease, Mortgagee's liability thereunder being limited to its interest in the Real Property; or
- g. bound by any notice of termination given by Landlord to Tenant without Mortgagee's prior written consent thereto.

5. This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their successors and assigns.

6. Tenant shall give Mortgagee, by certified mail, return receipt requested, or by commercial overnight delivery service, a copy of any notice of default served on Landlord, at Mortgagee's address set forth above or at such other address as to which Tenant has been notified in writing. If Landlord shall have failed to cure such default within the time provided for in the Lease, then Mortgagee shall have an additional ten (10) days within which to cure any default capable of being cured by the payment of money and an additional thirty (30) days within which to cure any other default or if such default cannot be cured within that time, then such additional time as may be necessary to cure such default shall be granted if within such thirty (30) days Mortgagee has commenced and is diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure), in which event the Lease shall not be terminated while such remedies are being so diligently pursued.

7. Landlord has agreed under the Mortgage and other loan documents that rentals payable under the Lease shall be paid directly by Tenant to Mortgagee upon default by Landlord under the Mortgage. After receipt of notice from Mortgagee to Tenant, at the address set forth above or at such other address as to which Mortgagee has been notified in writing, that

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rentals under the Lease should be paid to Mortgagee, Tenant shall pay to Mortgagee, or at the direction of Mortgagee, all monies due or to become due to Landlord under the Lease. Tenant shall have no responsibility to ascertain whether such demand by Mortgagee is permitted under the Mortgage, or to inquire into the existence of a default. Landlord hereby waives any right, claim, or demand it may now or hereafter have against Tenant by reason of such payment to Mortgagee, and any such payment shall discharge the obligations of Tenant to make such payment to Landlord.

8. Tenant declares, agrees and acknowledges that Mortgagee, in making disbursements pursuant to any agreement relating to the Loan, is under no obligation or duty to, nor has Mortgagee represented that it will, see to the application of such proceeds by the person or persons to whom Mortgagee disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement shall not defeat the subordination herein made in whole or in part.

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IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written.

Mortgagee:

By: _____
Its: _____
Date: _____

Tenant: _____

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

Landlord: _____

By: _____
Its: _____
Date: _____

By: _____
Its: _____
Date: _____

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[CORPORATION]

[STATE OR COMMONWEALTH OF _____])
) ss.
[COUNTY OF _____])

On this, the _____ day of _____, before me, notary public, the undersigned officer, personally appears _____, who acknowledged himself to be the _____ of _____, a corporation, and the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal the day and year aforesaid.

Notary Public

My Commission Expires:

[PARTNERSHIP]

[STATE OF _____])
) ss.
[COUNTY OF _____])

On this _____ day of _____, in the year _____ before me, _____, a Notary Public of said State, duly commissioned and sworn, personally appeared _____, known to me (or proved to me on the oath of _____) to be a general partner of a limited partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.

Notary Public in and for said State

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EXHIBIT A

(SDNA-MTG)

Description of Premises

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