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WRAPAROUND MORTGAGE

~~LASALLE NATIONAL BANK, Successor Trustee~~
THIS INDENTURE (hereinafter this "Mortgage") made and entered into this 2nd day of January, 1997, by LASALLE NATIONAL TRUST, N.A., as Trustee ("Trustee") under Trust Agreement dated November 14, 1979, and known as Trust No. 102041 (the "Trust") and 431 SOUTH DEARBORN, L.L.C., an Illinois limited liability company, as sole beneficiary of the Trust ("Beneficiary") (the Trust and the Beneficiary being collectively referred to herein as the, "Mortgagor"), jointly and severally, to MANHATTAN ASSOCIATES, an Illinois limited partnership (hereinafter referred to as "Mortgagee").

WITNESSETH THAT:

WHEREAS, Mortgagor has concurrently herewith executed and delivered its Wraparound Installment Note bearing even date herewith (the "Note") in the original principal sum of THIRTEEN MILLION FIFTY-FOUR THOUSAND AND NO/100 DOLLARS (\$13,054,000.00), which Note together with all interest thereon, is made payable to the order of Mortgagee at the place designed in said Note, in and by which said Note Mortgagor promises to pay the said principal sum and interest thereon at the rate and in installments as provided in said Note, with a final payment of the entire principal balance of the Note, together with unpaid and accrued interest thereon, being due and payable on the 31st day of December, 1999, all of the terms and provisions of which Note are hereby incorporated herein by this reference.

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NOW, THEREFORE, Mortgagor to secure the payment of said principal sum of money and said interest in accordance with the terms, provisions and limitations of this Mortgage and the Note, and the performance of the covenants and agreements herein contained by the Mortgagor to be performed (collectively sometimes referred to hereinafter as the "Indebtedness"), and also in consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents GRANT, REMISE, RELEASE, ALIEN, PLEDGE, CONVEY and WARRANT unto the Mortgagee, its successors and assigns, without relief from valuation and appraisal laws, (a) the real estate (the "Real Estate") and all of its estate, right, title, and interest therein, situate, lying and being in the County of Cook and State of Illinois bounded and described as set forth on Schedule A attached hereto and made a part hereof, (b) the property, interests, title and rights hereinafter described. The Real Estate and all of the property, interests, title and rights hereinafter described are hereinafter collectively referred to as the "Premises."

TOGETHER WITH all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Real Estate, and all fixtures, machinery, appliances, equipment, furniture, and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the Real Estate, buildings, structures or other improvements, or in connection with any construction being conducted or which may be conducted thereon, and owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals, substitutions, and replacements to any of the foregoing and all of the right, title and interest of Mortgagor in and to any such personal property or fixtures together with the benefit of any deposits or payments now or hereafter made on such personal property or fixtures by Mortgagor or on its behalf (the "Improvements");

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This instrument prepared by:
DEBORAH A. FAKTOR, ESQ.
300 W. Superior St., Suite 201
Chicago, Illinois 60610

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TOGETHER WITH all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to the Real Estate, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Mortgagor of, in and to the same;

TOGETHER WITH all rents, royalties, issues, profits, revenue, income and other benefits from the Premises to be applied against the Indebtedness, provided, however, that permission is hereby given to Mortgagor so long as no Default has occurred hereunder, to collect, receive, take, use and enjoy such rents, royalties, issues, profits, revenue, income and other benefits as they become due and payable;

TOGETHER WITH all right, title and interest of Mortgagor in and to any and all leases now or hereafter on or affecting the Premises whether written or oral and all agreements for use of the Premises (the "Leases"), together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission hereinabove given to Mortgagor to collect the rentals under any such Lease;

TOGETHER WITH all fixtures and articles of personal property now or hereafter owned by Mortgagor and forming a part of or used in connection with the Real Estate or the Improvements or the operation thereof, including, but without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wirings and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Real Estate or the Improvements in any manner; it being mutually agreed that all of the aforesaid property owned by Mortgagor and placed on the Real Estate or the Improvements shall be deemed to be fixtures, a part of the realty, and security for the Indebtedness; and

TOGETHER WITH all proceeds of the foregoing, subject to the provisions hereinafter set forth, including without limitation all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Premises or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Premises or proceeds of any sale, option or contract to sell the Premises or any portion thereof; and Mortgagor hereby authorizes, directs and empowers Mortgagee, at its option, on behalf of Mortgagor, or the successors or assigns of Mortgagor, to adjust, compromise, claim, collect and receive such proceeds, to give proper receipts and acquittances therefor, and, after deducting expenses of collection, to apply the net proceeds as a credit upon any portion, as selected by Mortgagee, of the Indebtedness, notwithstanding the fact that the same may not then be due and payable or that the Indebtedness is otherwise adequately secured.

TO HAVE AND TO HOLD the Premises, with said buildings, improvements, fixtures, appurtenances, apparatus and equipment, and with all the rights and privileges thereunto belonging unto said Mortgagee forever, for the uses herein set forth, free from all rights and benefits under the homestead exemption and valuable laws of any state, which said rights and benefits said Mortgagor does hereby release and waive.

PROVIDED, NEVERTHELESS, that if Mortgagor shall pay in full when due the Indebtedness and shall duly and timely perform and observe all of the terms, provisions, covenants and agreements herein and

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in the Note and provided to be performed and observed by the Mortgagor, then this Mortgage and the estate, right and interest of Mortgagee in the Premises shall cease and become void and of no effect, but shall otherwise remain in full force and effect.

THE MORTGAGOR FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. **Payment of Indebtedness and Performance of Covenants.** Mortgagor shall (a) pay when due the Indebtedness, subject to the limitation on personal liability set forth herein and in the Note; and (b) duly and punctually perform and observe all of the terms, provisions, conditions, covenants and agreements on Mortgagor's part to be performed or observed as provided in the Note and this Mortgage.

2. **Maintenance, Repair, Compliance with Law, Use, Etc.** Mortgagor shall (a) promptly repair, restore, replace or rebuild any portion of the Improvements which may become damaged or be destroyed; (b) keep the Premises and all portions thereof in good condition and repair, free from waste; (c) cause to be paid all operating costs of the Premises; (d) complete, within a reasonable time, any building or buildings or other Improvements now or at any time in the process of construction upon the Premises; (e) comply with any requirements of zoning, building, health, fire, traffic, environmental and other statutes, ordinances, rules, regulations, orders, decrees and other requirements of law relating to the Premises or any part thereof by any federal, state or local authority; (f) refrain from any action and correct any condition which would increase the risk of fire or other hazard to the Improvements or any portion thereof; (g) comply with any restrictions and covenants of record with respect to the Premises and the use thereof; and observe and comply with any conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions that are applicable to the Premises or its use and occupancy; (h) cause the Premises to be managed in a competent and professional manner; and (i) pay, when due, as provided in Paragraphs 3 and 4 hereof any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof, and upon request, exhibit to the Mortgagee satisfactory evidence of such payment. Without the prior written consent of Mortgagee, Mortgagor shall not cause, suffer or permit any (i) change in the intended use or occupancy of the Premises for which the Improvements were constructed, including without limitation any change which would increase any fire or other hazard; (ii) unlawful use of, or nuisance to exist upon, the Premises; or (iii) any action or omission which shall result in the waste or diminution in value of the Premises or any portion thereof or which shall impair Mortgagee's security hereunder, **provided however**, notwithstanding anything herein to the contrary, Mortgagee hereby consents to the submission of the Premises to the Condominium Property Act of Illinois and Chapter 13-72 of the Municipal Code of the City of Chicago and the conversion of the Premises from rental units to ownership units in accordance therewith. (Such submission and conversion is hereinafter referred to as the "Condo Conversion.")

3. Liens.

A. **Prohibition.** The Mortgagor shall not without the prior written consent of the Mortgagee create or suffer or permit any mortgage, lien, charge or encumbrance to attach to or be filed against the Premises, or any mechanic's liens, materialmen's liens, or other claims for lien made by parties claiming to have provided labor or materials with respect to the Premises (which liens are herein defined as "**Mechanic's Liens**") and excepting only (a) liens securing the Indebtedness (b) the lien of real estate taxes and assessments not due and payable (c) the liens of the Underlying Mortgages (as hereinafter defined) together with any assignments of lenses or other documents given as additional security for the indebtedness secured by the Underlying Mortgages (d) liens or encumbrances which are in all respects junior and inferior to the lien of this Mortgage; and (e) those certain exceptions to title set forth on **Schedule B** attached hereto and made a part hereof (hereinafter referred to as the "**Permitted Exceptions**").

B. **Contest of Mechanic's Liens Claims.** Notwithstanding the foregoing prohibition against

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Mechanic's Liens against the Premises, Mortgagor, or any party obligated to Mortgagor to do so, may in good faith and with reasonable diligence contest the validity or amount of any Mechanic's Lien and defer payment and discharge thereof during the pendency of such contest, provided: (i) that such contest shall have the effect of preventing the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy such Mechanic's Lien; (ii) that, within forty-five (45) days after Mortgagor has been notified of the filing of such Mechanic's Lien, Mortgagor shall have notified Mortgagee in writing of Mortgagor's intention to contest such Mechanic's Lien or to cause such other party to contest such Mechanic's Lien; and (iii) that Mortgagor shall have obtained a title insurance endorsement over such Mechanic's Liens insuring Mortgagee against loss or damage by reason of the existence of such Mechanic's Liens or Mortgagor shall have deposited or caused to be deposited with Mortgagee (unless previously required by and deposited with the holder of any of the Underlying Mortgages) at such place as Mortgagee (or the holder of any of the Underlying Mortgages) may from time to time in writing appoint, and in the absence of such appointment, then at the place of payment designated in the Note, a sum of money which shall be sufficient in the judgment of Mortgagee to pay in full such Mechanic's Lien and all interest which might become due thereon, and shall keep on deposit an amount so sufficient at all times, increasing such amount to cover additional interest whenever, in the judgment of Mortgagee, such increase is advisable. Such deposits are to be held without any allowance of interest. If Mortgagor shall fail to maintain or cause to be maintained sufficient funds on deposit as hereinabove provided, shall fail to prosecute such contest or cause such contest to be prosecuted with reasonable diligence or shall fail to pay or cause to be paid the amount of the Mechanic's Lien plus any interest finally determined to be due upon the conclusion of such contest, to the extent such amount exceeds the amount on deposit with Mortgagee, Mortgagee may, at its option, apply the money as deposited in payment of or on account of such Mechanic's Lien, or that part thereof then unpaid, together with any interest thereon. If the amount of money so deposited shall be insufficient for the payment in full of such Mechanic's Lien, together with all interest thereon, Mortgagor shall forthwith, upon demand, deposit with Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payment in full. If the contest of the Mechanic's Lien claim is ultimately resolved in favor of claimant, Mortgagee shall apply the money so deposited in full payment of such Mechanic's Lien or that part thereof then unpaid, together with all interest thereon (provided Mortgagor is not then in default hereunder) when furnished with evidence satisfactory to Mortgagee of the amount of payment to be made. Any overplus remaining in the control of Mortgagee shall be paid to Mortgagor, provided that no Default (as hereinafter defined) then exists under this Mortgage.

4. Taxes and Liens.

A. Payment. Mortgagor shall pay or cause to be paid when due and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever levied or assessed against the Premises or any part thereof or any interest therein or any obligation or instrument secured hereby, and all installments thereof (all herein generally called "Taxes"), whether or not assessed against Mortgagor, and Mortgagor shall furnish to Mortgagee receipts therefor without demand or further request (unless Mortgagee causes the Taxes to be paid to the holder of an Underlying Mortgage pursuant to Paragraph 8 hereof) on or before the date the same are due; and shall discharge any claim or lien relating to taxes upon the Premises. Nothing in this Paragraph 4A shall require Mortgagor to pay any income, franchise, or excise tax imposed upon the Mortgagee, excepting any such which may be levied against such income expressly as and for a specific substitute for Taxes on the Premises, and then only in an amount computed as if the Mortgagee derived no income from any source other than its interest hereunder.

B. Contest. Mortgagor may, in good faith and with reasonable diligence, contest or cause to be contested, the validity or amount of any such Taxes, provided that:

(i) such contest shall have the effect of preventing the collection of the Taxes so contested and

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the sale or forfeiture of the Premises or any part thereof or interest therein to satisfy the same;

(ii) Mortgagor has notified Mortgagee in writing of the intention of Mortgagor to contest the same or to cause the same to be contested before any Tax has been increased by any interest, penalties, or costs; and

(iii) Mortgagor has deposited or caused to be deposited with a title insurance company reasonably acceptable to Mortgagee or with Mortgagee (or a holder of one of the Underlying Mortgages) at such place as Mortgagee may from time to time in writing designate, a sum of money or other security that, when added to the monies or other security, if any, deposited with said title insurance company or Mortgagee (or a holder of one of the Underlying Mortgages) is sufficient, in Mortgagee's judgment, to pay in full such contested Tax and all penalties and interest that might become due thereon, and shall keep on deposit an amount sufficient, in Mortgagee's reasonable judgment, to pay in full such contested Tax, increasing such amount to cover additional penalties and interest whenever, in Mortgagee's reasonable judgment, such increase is advisable.

If Mortgagor fails to prosecute such contest with reasonable diligence or fails to maintain sufficient funds on deposit as hereinabove provided, Mortgagee may, at its option, apply the monies and liquidate any securities deposited with Mortgagee, in payment of, or on account of, such Taxes, or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of the money and any such security so deposited is insufficient for the payment in full of such Taxes, together with all penalties and interest thereon, Mortgagor shall forthwith, upon demand, either deposit with Mortgagee a sum that, when added to such funds then on deposit, is sufficient to make such payment in full or, if Mortgagee has applied funds on deposit on account of such Taxes, restore such deposit to an amount satisfactory to Mortgagee. Provided that Mortgagor is not then in default hereunder, Mortgagee shall, if so requested in writing by Mortgagor, after final disposition of such contest and upon Mortgagor's delivery to Mortgagee of an official bill for such Taxes, apply the money so deposited in full payment of such Taxes or that part thereof then unpaid, together with all penalties and interest thereon.

5. **Change in Tax Laws.** If, by the laws of the United States of America, or of any state or municipality having jurisdiction over Mortgagee, Mortgagor or the Premises, any tax is imposed or becomes due in respect of the issuance of the Note or the recording of this Mortgage, Mortgagor shall pay such tax in the manner required by such law. If any law, statute, rule, regulation, order or court decree has the effect of deducting from the value of the Premises for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of Mortgagee in the Premises, or the manner of collection of taxes, so as to affect this Mortgage, the Indebtedness or Mortgagee, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes, or reimburse Mortgagee therefor on demand, unless Mortgagee determines, in Mortgagee's reasonable judgment, that such payment or reimbursement by Mortgagor is unlawful; in which event the Indebtedness shall be due and payable within thirty (30) days after written demand by Mortgagee to Mortgagor. Nothing in this Paragraph 5 shall require Mortgagor to pay any income, franchise or excise tax imposed upon Mortgagee, excepting only such which may be levied against the income of Mortgagee as a complete or partial substitute for taxes required to be paid by Mortgagor pursuant hereto.

6. **Insurance Coverage.** Mortgagor will insure the Premises against such perils and hazards, and in such amounts and with such limits, as Mortgagee may from time to time require, and in any event will continuously maintain the following described policies of insurance (the "Insurance Policies"):

(a) Casualty insurance against loss and damage by all risks of physical loss or damage without deduction for depreciation or coinsurance, including fire, windstorm, flood and other risks covered by the

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so-called extended coverage endorsement in amounts not less than the full insurable replacement value of all Improvements, fixtures and equipment from time to time on the Premises, but in no event less than the original principal amount of the Note, and bearing a replacement cost agreed amount endorsement;

(b) Comprehensive general liability insurance covering the Premises in an amount of not less than \$2,000,000.00 for bodily injury and/or property damage;

(c) Such other types and amounts of insurance coverage as are customarily maintained by owners or operators of like properties, or as Mortgagee may reasonably request.

Mortgagee may, at any time and in its sole discretion upon written notice to Mortgagor, procure and substitute for any and all of the policies of insurance required above, such other policies of insurance, in such amounts, and carried in such companies, as it may select, and in such event, those policies of insurance shall be included within the definition of "Insurance Policies" set forth herein.

7. **Insurance Policies.** All Insurance Policies shall be in such form, and amounts and written by such insurance companies as are reasonably satisfactory to Mortgagee. All Insurance Policies insuring against casualty, rent loss and business interruption and other appropriate policies shall include non-contributing mortgage endorsements in favor of and with loss payable to Mortgagee, as its interest may appear as the holder of this Mortgage, as well as standard waiver of subrogation endorsements. All of the Insurance Policies shall provide that the coverage shall not be terminated or materially modified without thirty (30) days' advance written notice to Mortgagee. Mortgagor will deliver all Insurance Policies (or certified copies thereof) premiums prepaid, for a minimum term of one (1) year, to Mortgagee and, in case of Insurance Policies about to expire, Mortgagor will deliver renewal or replacement policies not less than thirty (30) days prior to the date of expiration thereof. The requirements of the preceding sentence shall apply to any separate policies of insurance taken out by Mortgagor concurrent in form or contributing in the event of loss with the Insurance Policies. Insurance Policies maintained by tenants under the Leases may, if in conformity with the requirements of this Mortgage and if approved by Mortgagee, be presented to Mortgagee in satisfaction of Mortgagor's obligation to provide the insurance coverages provided by those Insurance Policies.

8. **Proceeds of Insurance.** Mortgagor will give Mortgagee prompt notice of any loss or damage to the Premises, and, subject to the rights, if any, of the holders of the Underlying Mortgages:

(a) In case of loss or damage covered by any of the Insurance Policies, Mortgagee (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) is hereby authorized at its option either (i) to settle and adjust any claim under such Insurance Policies without the consent of Mortgagor, or (ii) allow Mortgagor to settle and adjust such claim without the consent of Mortgagee; provided that in either case Mortgagee shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the expenses incurred by Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional indebtedness, and shall be reimbursed to Mortgagee upon demand or may be deducted by Mortgagee from said insurance proceeds prior to any other application thereof. Each insurance company which has issued an Insurance Policy is hereby authorized and directed to make payment for all losses covered by and Insurance Policy to Mortgagee alone, and not to Mortgagee and Mortgagor jointly.

(b) Provided that the holders of the Underlying Mortgages do not elect to apply the proceeds of Insurance Policies to reduce the indebtedness secured by the Underlying Mortgages, Mortgagee shall, apply the proceeds of Insurance Policies consequent upon any casualty to reimburse Mortgagor for the cost of restoring, repairing, replacing or rebuilding the loss or damage of the casualty, subject to the conditions and in accordance with the provisions of Paragraph 10 hereof. In the event that the holders of the Underlying

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Mortgages elects to apply the proceeds of Insurance Policies to reduce the indebtedness secured by the Underlying Mortgages, Mortgagee may, in its sole discretion apply the proceeds of Insurance Policies to the Indebtedness and if such proceeds as applied do not discharge that indebtedness in full, the entire Indebtedness shall become immediately due and payable with interest thereon at the Default Rate.

(c) Mortgagor hereby covenants to restore, repair, replace or rebuild the Improvements, to be of at least equal value, and of substantially the same character or equal in value to as prior to such loss or damage, all to be effected in accordance with plans, specifications and procedures to be first submitted to and approved by Mortgagee, and Mortgagor shall pay all costs of such restoring, repairing, replacing or rebuilding.

9. Disbursement of Insurance Proceeds. Insurance proceeds held by Mortgagee for restoration, repairing, replacement or rebuilding of the Premises shall be disbursed from time to time upon Mortgagee being furnished with (i) evidence satisfactory to it of the estimated cost of the restoration, repair, replacement and rebuilding, (ii) funds (or assurances satisfactory to Mortgagee that such funds are available) sufficient in addition to the proceeds of insurance, to complete and fully pay for the restoration, repair, replacement and rebuilding, and (iii) such architect's certificates, waivers of lien, contractor's sworn statements, title insurance endorsements, plats of survey and such other evidences of cost, payment and performance as Mortgagee may require and approve. No payment made prior to the final completion of the restoration, repair, replacement and rebuilding shall exceed ninety percent (90%) of the value of the work performed from time to time, as such value shall be determined by Mortgagee in its sole and exclusive judgment; funds other than proceeds of insurance shall be disbursed prior to disbursement of such proceeds, and at all times the undisbursed balance of such proceeds remaining in the hands of Mortgagee, together with funds deposited or irrevocably committed to the satisfaction of Mortgagee by or on behalf of Mortgagor to pay the cost of such repair, restoration, replacement or rebuilding, shall be at least sufficient in the reasonable judgment of Mortgagee to pay the entire unpaid cost of the restoration, repair, replacement or rebuilding, free and clear of all liens or claims for lien. Any surplus which may remain out of insurance proceeds held by Mortgagee after payment of such costs of restoration, repair, replacement or rebuilding shall, at the option of Mortgagee and subject to the rights, if any, of the holders of the Underlying Mortgage, be paid to Mortgagor. No interest shall be allowed to Mortgagor on account of any proceeds of insurance or other funds held by Mortgagee.

10. Condemnation and Eminent Domain. Subject to the rights, if any, of the holders of the Underlying Mortgages, any and all proceeds of awards (the "Awards") heretofore or hereafter made or to be made to the present, or any subsequent, owner of the Premises, by any governmental or other lawful authority for the taking, pursuant to condemnation or eminent domain proceedings (or settlement in lieu thereof), of all or any part of the Premises (including any award from the United States Government at any time after the allowance of a claim therefor, the ascertainment of the amount thereto, and the issuance of a warrant for payment thereof), are hereby assigned by Mortgagor to Mortgagee, which Awards Mortgagee is hereby authorized to collect and receive from the condemnation authorities, and Mortgagee is hereby authorized to give appropriate receipts and acquittances therefor. Mortgagor shall give Mortgagee immediate notice of the actual or threatened commencement of any condemnation or eminent domain proceedings affecting all or any part of the Premises and shall deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor further agrees to make, execute, and deliver to Mortgagee, at any time upon request, free, clear, and discharged of any encumbrance of any kind whatsoever, any and all further assignments and other instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all Awards and other compensation heretofore and hereafter made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. If any portion of or interest in the Premises is taken by condemnation or eminent domain, either temporarily or permanently, and the remaining portion of the Premises is not, in the judgment of the holder of the Underlying Mortgages and Mortgagee, a complete economic unit having equivalent value to the Premises

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as existed prior to the taking, then, at the option of Mortgagee, the entire Indebtedness shall immediately become due and payable. After deducting from the Award for such taking all of its expenses incurred in the collection and administration of the Award, including attorney's fees, Mortgagee shall be entitled to apply the net proceeds toward repayment of such portion of the Indebtedness as it deems appropriate without affecting the lien of this Mortgage. In the event of any partial taking of the Premises or any interest in the Premises, which, in the judgment of Mortgagee leaves the Premises as a complete economic unit having equivalent value to the Premises as it existed prior to the taking, and provided no Default has occurred and is then continuing, the Award shall be applied to reimburse Mortgagor for the cost of restoration and rebuilding the Premises in accordance with plans, specifications and procedures which must be submitted to and approved by Mortgagee, and such Award shall be disbursed in the same manner as is hereinabove provided above for the application of insurance proceeds, provided that any surplus after payment of such costs shall be applied on account of the Indebtedness. If the Award is not applied for reimbursement of such restoration costs, the Award shall be applied against the Indebtedness, in such order or manner as provided in Note.

11. **Prepayment Privilege.** Provided that no Default then exists hereunder or under the Note, privilege is reserved by Mortgagor to prepay at any time the Indebtedness in full, or in part. Such prepayment shall be applied to the indebtedness evidenced hereby or to any of the holders of the Underlying Notes (as defined below) as shall be specified by the Mortgagor. Upon receipt of such prepayment, the holder hereof shall pay the amount of such prepayment to such holder and in such amounts as shall be specified in the written notice of such prepayment aforesaid.

12. **Mortgagee's Performance of Mortgagor's Obligations.** In case of Default, Mortgagee, either before or after acceleration of the Indebtedness or the foreclosure of the lien hereof and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein required of Mortgagor (whether or not Mortgagor is personally liable therefor) in any form and manner deemed expedient to Mortgagee. Mortgagee may, but shall not be required to, rent, operate and manage the Premises and such Improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises shall be operational and useable for their intended purposes. All monies paid, and all expenses paid or incurred in connection therewith, including reasonable attorney's fees and other monies advanced by Mortgagee to protect the Premises and the lien hereof, or to complete construction, furnishing and equipping or to rent, operate and manage the Premises or to pay any such operating costs and expenses thereof or to keep the Premises operational and useable for their intended purpose shall be so much additional Indebtedness, whether or not the Indebtedness, as a result thereof, shall exceed the face amount of the Note, and shall become immediately due and payable on demand, and with interest thereon at the Default Rate specified in the Note (herein called the "Default Rate"). Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any Default nor shall the provisions of this Paragraph or any exercise by Mortgagee of its rights hereunder prevent any default from constituting a Default. Mortgagee, in making any payment hereby authorized (a) relating to Taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Premises or the rental, operation or management of the Premises or the payment of operating costs and expenses thereof, may do so in such amounts and to such persons as Mortgagee may deem appropriate. Nothing contained herein shall be construed to require Mortgagee to advance or expend monies for any purpose mentioned herein, or for any other purpose.

13. **Defaults.** A default shall exist, if one or more of the following events (herein call "Defaults") shall occur:

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(a) If any default be made in the due and punctual payment of monies required under the Note or under this Mortgage, as and when the same is due and payable and any applicable period of grace expressly allowed for the cure of such default in such document shall have expired;

(b) If default shall continue for fifteen (15) days after written notice thereof by Mortgagee to Mortgagor in the due and punctual performance or observance of any other agreement or condition herein contained, provided, however, that if such default by its nature cannot be cured within said fifteen (15) days period, then Mortgagor shall not be in default so long as Mortgagor commences to cure said default within said fifteen (15) day period and diligently and in good faith pursues said cure to completion;

(c) The occurrence of an uncured default under the Underlying Loan Documents (defined hereinafter) in each case after the expiration of any period of grace allowed by the holders of the Underlying Mortgages for the cure of such default;

then Mortgagee is hereby authorized and empowered, at its option and without affecting the lien hereby created or the priority of said lien or any other right of Mortgagee hereunder, to declare, without further notice, all Indebtedness to be immediately due and payable with interest thereon at the Default Rate, whether or not such Default be hereafter remedied by Mortgagor, and Mortgagee may immediately proceed to foreclose this Mortgage and/or to exercise any right, power or remedy provided by this Mortgage, the Note, or by law or in equity or any other document or instrument regulating, evidencing, securing or guarantying any of the Indebtedness, subject to the rights, if any, of the holders of the Underlying Mortgages.

14. Foreclosure. When the Indebtedness, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof in accordance with the laws of the State in which the Premises are located and to exercise any other remedies of Mortgagee provided in the Note, this Mortgage, or any other document given as additional security for the Note, or which Mortgagee may have at law, at equity or otherwise. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Premises. All expenditures and expenses of the nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the protection of the Premises and rents and income therefrom and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Indebtedness and shall be immediately due and payable by Mortgagor; with interest thereon at the Default Rate until paid.

15. Right of Possession. When the Indebtedness shall become due, whether by acceleration or otherwise, or in any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, Mortgagor shall, forthwith upon demand of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take actual possession of, the Premises or any part thereof, personally or by its agent or attorneys, and Mortgagee, in its discretion, may enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers, and accounts of Mortgagor or the then owner of the Premises relating thereto, and may, on behalf of Mortgagor or such owner, or in its own name as Mortgagee and under the powers herein granted:

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(a) hold, operate manage, and control all or any part of the Premises and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Premises, including without limitation actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Mortgagor;

(b) cancel or terminate any Lease or sublease of all or any part of the Premises for any cause or on any ground that would entitle Mortgagor to cancel the same;

(c) elect to disaffirm any Lease or sublease of all or any part of the Premises made subsequent to this Mortgage without Mortgagee's prior written consent;

(d) extend or modify any then existing Leases and make new Leases of all or any part of the Premises, which extensions, modifications, and new Leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness evidenced by the Note and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor, all persons whose interests in the Premises are subject to the lien hereof, and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser;

(e) make all necessary or proper repairs, decorations, renewals, replacements, alterations, additions, betterments, and improvements in connection with the Premises as may seem judicious to Mortgagee, to insure and reinsure the Property and all risks incidental to Mortgagee's possession, operation, and management thereof, and to receive all rents, issues, deposits, profits and avails therefrom; and

(f) apply the net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, to the payment of Taxes, Premiums and other charges applicable to the Premises, or in reduction of the Indebtedness in such order and manner as Mortgagee shall select.

Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises.

16. **Foreclosure Sale.** The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority, subject to the rights, if any, of the holders of the Underlying Mortgages: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Paragraph 14 hereof; Second, any other items which, under the terms hereof, constitute Indebtedness additional to that evidenced by the Note, with interest on such items as herein provided; Third, to interest remaining unpaid upon the Note; Fourth, to the principal remaining unpaid upon the Note; and lastly, any overplus to Mortgagor, and its successors or assigns, as their rights may appear.

17. **Insurance During Foreclosure.** Subject to the rights, if any, of the holders of the Underlying Mortgages, in case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any Insurance Policy, if not applied in rebuilding or restoring the Improvements, as aforesaid, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the mortgagee's clause attached to each of the casualty Insurance Policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty Insurance Policies making the loss thereunder payable to said decree creditors; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree,

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pursuant to the statutes in such case made and provided, then in every such case, each and every successive redeemer may cause the preceding loss clause attached to each casualty Insurance Policy to be cancelled and a new loss payable clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all Insurance Policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the Insurance Policies without credit or allowance to Mortgagor for prepaid premiums thereon.

18. **Waiver of Right of Redemption and other Rights.** To the full extent permitted by law, Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Mortgagee, but will suffer and permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note.

19. **Rights Cumulative.** Each right, power and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter provided by law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient to Mortgagee. The exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein. Except as otherwise specifically required herein, notice of the exercise of any right, remedy or power granted to Mortgagee by this Mortgage is not required to be given.

20. **Successors and Assigns.**

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

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granted such rights, privileges, powers, options and benefits and was herein by name designated Mortgagee.

B. **Covenants Run With Land; Successor Owners.** All of the covenants of this Mortgage shall run with the land and be binding on any successor owners of the Real Estate. Except with respect to the Condo Conversion, if the ownership of Premises or any portion thereof becomes vested in a person or persons other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest of Mortgagor with reference to this Mortgage and the Indebtedness in the same manner as with Mortgagor without in any way releasing or discharging Mortgagor from its obligations hereunder. Mortgagor will give immediate written notice to Mortgagee of any conveyance, transfer or change of ownership of the Premises.

21. **Effect of Extensions and Amendments.** If the payment of the Indebtedness, or any part thereof, be extended or varied, or if any part of the security or guaranties therefor be released, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage, or other lien upon the Premises or any part thereof or any interest therein, shall take the said lien subject to the rights of Mortgagee to amend, modify, extend or release the Note, this Mortgage or any other document or instrument evidencing, securing or guarantying the Indebtedness, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

22. **Execution of Separate Security Agreements, Financing Statements, Etc.; Estoppel Letter.** Mortgagor will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, conveyances, notes, mortgages, security agreements, financing statements and assurances as Mortgagee shall reasonably require for the better assuring, conveying, mortgaging, assigning and confirming unto Mortgagee all property mortgaged hereby or property intended so to be, whether now owned by Mortgagor or hereafter acquired. Without limitation of the foregoing, Mortgagor will assign to Mortgagee, upon request, as further security for the indebtedness secured hereby, its interests in all agreements, contracts, licenses and permits affecting the Premises, such assignments to be made by instruments satisfactory to Mortgagee, but no such assignment shall be construed as a consent by the Mortgagee to any agreement, contract, license or permit or to impose upon Mortgagee any obligations with respect thereto. From time to time, Mortgagor will furnish within fifteen (15) days after Mortgagee's request therefor a written and duly acknowledged statement of the amount due under the Note and under this Mortgage and whether any alleged offsets or defenses exist against the Indebtedness. From time to time, Mortgagee will furnish within a reasonable time after Mortgagor's request therefor a written and duly acknowledged statement of the amount due under the Note and under this Mortgage and whether, to Mortgagee's actual knowledge, any outstanding notices of Defaults on the part of Borrower exist hereunder.

23. **Subrogation.** If any part of the Indebtedness is used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the Premises or any part thereof, then Mortgagee shall be subrogated to the rights of the holder thereof in and to such other lien or encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same.

24. **Option to Subordinate.** At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases of all or any part of the Premises upon the execution by Mortgagee and recording thereof, at any time hereafter, in the Office of the Recorder of Cook County, Illinois of a unilateral declaration to that effect.

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25. **Governing Law.** The place of negotiation, execution, and delivery of this Mortgage and the location of the Property being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State, without reference to the conflicts of law principles of that State.

26. **Business Loan.** Mortgagor hereby represents, warrants, covenants and agrees that the proceeds of the Note will be used for business purposes and that the principal obligation secured hereby constitutes a nonusurious business loan within the purview of the laws of the State of Illinois.

27. **Inspection of Premises and Records.** Mortgagee and its representatives and agents shall have the right to inspect the Premises and all books, records and documents relating thereto upon reasonable advance notice.

28. **Time of the Essence.** Time is of the essence of the Note, this Mortgage, and any other document or instrument evidencing or securing the Indebtedness.

29. **Captions and Pronouns.** The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and the masculine, feminine and neuter shall be freely interchangeable.

30. **Notices, Any notice, demand or other communication which any party hereto may desire or may be required to give to any other party hereto shall be in writing, and shall be deemed given if and when personally delivered, or on the second business day after being deposited in United States registered or certified mail, postage prepaid, addressed to a party at its address set forth below, or to such other address as the party to receive such notice may have designated to all other parties by notice in accordance herewith:**

If to Mortgagee:

Manhattan Associates
104 South Michigan Ave., Suite 1500
Chicago, Illinois 60603
Attention: Charles L. Strobeck

If to Mortgagor:

431 SOUTH DEARBORN, L.L.C.
104 South Michigan Avenue, Suite 807
Chicago, Illinois 60603
Attention: MONROE REALTY & MANAGEMENT CO.

with a copy to:

Deborah A. Faktor, Esq.
300 West Superior Street, Suite 201
Chicago, Illinois 60610

and with a copy to:

Spitzer Addis Susman & Krull
100 W. Monroe Street, Suite 1500
Chicago, Illinois 60606
Attn: David H. Addis, Esq.

Except as otherwise specifically required herein, notice of the exercise of any right, power or option granted to Mortgagee by this Mortgage is not required to be given.

31. **Underlying Loan Documents; Wraparound Mortgage.**

A. This Mortgage is a wraparound mortgage, and the lien of this Mortgage wraps around and

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is subject and subordinate to the following:

(1) The existing lien of the certain mortgage dated December 2, 1996 (the "LaSalle Mortgage"), encumbering the Premises, made by Payee to the LaSalle National Bank and recorded with the Recorder of Deeds of Cook County, Illinois on December 10, 1996 as Instrument No. 96932924, which LaSalle Mortgage secures the certain note ("LaSalle Note") of Payee dated December 2, 1996, in the original principal sum of Five Million Three Hundred Thousand and No/100 Dollars (\$5,300,000.00), and with a balance of principal and accrued interest thereon as of December 31, 1996 of \$5,300,000.00; and

(2) The existing lien of the certain mortgage dated December 2, 1996 (the "Strobeck Mortgage"), encumbering the Premises, made by Payee to the Charles L. Strobeck and recorded with the Recorder of Deeds of Cook County, Illinois on December 10, 1996, as Instrument No. 96932925, which secures the certain Note (the "Strobeck Note") of Payee dated December 2, 1996, in the original principal sum of Six Million and no/100 Dollars (\$6,000,000.00), and with a balance of principal and accrued interest thereon as of December 31, 1996 of \$6,964,000.00. (The LaSalle Note and the Strobeck Note are referred to herein together as the "Underlying Notes" and the LaSalle Mortgage and the Strobeck Mortgage are referred to herein together as the "Underlying Mortgages.")

The Underlying Notes and Underlying Mortgages together with any and all assignments of leases or other documents now or hereafter given as additional security for the Underlying Notes and any extensions, modifications, renewals, replacements and refinancing of the foregoing are hereinafter referred to collectively as the "Underlying Loan Documents," and all of the terms and provisions thereof are hereby incorporated herein by this reference as though fully set forth herein.

B. Mortgagor agrees to comply strictly with all of the terms and conditions of the Underlying Loan Documents, other than with respect to the payment of principal and interest due under the Underlying Notes. Mortgagor shall not suffer or permit any default or breach to occur under the Underlying Loan Documents. The Mortgagor shall deliver to Mortgagee notices of any default or alleged default under or breach of any of the provisions of the Underlying Loan Documents. The Mortgagor's agreement to comply with the aforesaid terms and conditions of the Underlying Loan Documents and not to suffer or permit any default or breach to occur thereunder is being made solely for the benefit of the Mortgagee and not for the benefit of the holders of the Underlying Notes or any other parties, and under no circumstance shall such language be deemed to create any individual liability of the Mortgagor under any of the Underlying Loan Documents.

C. The Mortgagor hereby authorizes the Mortgagee at its option, to perform any covenants, do any acts, and make any payments required under the Underlying Loan Documents that have not been performed, done, or paid by the Mortgagor when required thereunder. All expenses incurred and sums paid (other than payments of principal and interest as provided hereinbelow) pursuant to the foregoing authority, with interest thereon at the Default Rate, shall be secured by this Mortgage and shall be payable to the Mortgagee on demand. The Mortgagee may exercise its option to perform any of such covenants, do any of such acts, or make any of such payments as aforesaid, prior to, simultaneously with, or subsequent to any exercise by the Mortgagee of its option to declare all indebtedness to be immediately due and payable. The curing by the Mortgagee of any default under any of the Underlying Loan Documents shall not be deemed to constitute the curing of such default by the Mortgagor or the curing of the resulting default under this Mortgage, and in such event the Mortgagee shall be entitled to pursue its remedies hereunder as in the case of any other default, whether or not any default then still exists under the Underlying Loan Documents.

D. The Mortgagor agrees that, to the extent the Mortgagee pays any sums evidenced or secured by the Underlying Loan Documents, the Mortgagee shall, subject to the lien of the Underlying Mortgages, become entitled to a lien on the Premises equal in rank and priority to the Underlying Mortgages pursuant

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to which such sums were paid and, in addition, to the extent necessary to make effective such rank and priority; (i) the Mortgagee shall become subrogated to, receive and enjoy all of the rights, liens, powers and privileges granted to the holders of the Underlying Notes, and (ii) the Underlying Mortgages shall remain in existence for the benefit of and to further secure the debt and other sums secured, or that hereafter become secured, hereunder.

E. In the event the lien of this Mortgage is foreclosed, the unpaid principal balance of the Note shall be calculated in the same manner as the amount thereof to be paid on the Maturity Date (as defined in the Note) under the Note, deducting from the unpaid principal balance of the Note the then unpaid principal balance of the Underlying Notes.

F. By accepting this Mortgage and the Note, the Mortgagee agrees that provided that no Default then exists hereunder, the holder of the Note shall, to and including the earlier of (i) the Maturity Date; or (ii) the date on which the entire unpaid principal balance hereof is prepaid in accordance with the terms and conditions of this Note, pay after receipt of Mortgagor's payment of principal and/or interest under the Note each month, of principal and interest due and payable in such month under the Underlying Notes and the Underlying Mortgages. Any failure by the holder of the Note to make such payments shall not, as long as Mortgagor is not in default hereunder or under any of the other Loan Documents, be deemed a default hereunder by Mortgagor. If, in any month(s), the holder hereof shall receive Mortgagor's timely payment of principal and/or interest hereunder, and if the holder of the Note shall fail within fifteen (15) days following the holder's receipt of such payment, to make monthly payment of principal and interest due under the Underlying Notes, then Mortgagor may directly make such payment to the holders of the Underlying Notes and thereupon the Maker shall have a right of offset against the principal and interest of the Note equal to the amount of the payment so made by Mortgagor to the holders of the Underlying Notes.

G. Mortgagor's and Mortgagee's agreements hereunder and under the Note are made solely for the benefit of each other and their respective successors and assigns, and not for the benefit of the Underlying Notes or any other party, and neither the holders of the Underlying Notes nor any other party shall have the right to enforce the same.

H. Upon the occurrence of any Default hereunder, the Mortgagee is authorized and empowered, but not required, to disburse such portion of the principal amount evidenced by the Note and secured by this Mortgage as is sufficient to pay in full the indebtedness evidenced by the Underlying Notes and secured by the Underlying Mortgages, together with any prepayment premium thereon and to apply the same to such payment.

I. Subject to the liens of the Underlying Mortgages, upon such payment of the indebtedness secured by the Underlying Mortgages, the Mortgagee shall be and is hereby subrogated to all rights, liens and privileges which before such payment were held by and vested in the legal holders of the Indebtedness secured by the Underlying Mortgages, and upon such payment, shall be a first and valid lien, subrogated as described in Subparagraph 31C hereof, upon the Premises.

J. Each of the Mortgagor and the Mortgagee agrees to send promptly to the other a copy of any notice received by it from the holders of the Underlying Loan Documents. Any notice of default or acceleration of maturity of indebtedness thereunder shall be sent via certified mail on the date on which it is received, and the party receiving the same shall in addition notify the other party by telephone on the same day.

K. In the event of a conflict of any of the terms and provisions contained in the Underlying Mortgages with any of the terms and provisions contained herein, the Mortgagor's compliance, observation, keeping and performance of the conflicting terms and provisions of the Underlying Mortgages shall not

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constitute a Default hereunder and shall be deemed to be full compliance with the conflicting terms hereof.

L. Mortgagor shall not at any time or in any manner without obtaining Mortgagee's prior written consent (i) increase the amount of the indebtedness outstanding under any Underlying Notes or the amount of the indebtedness secured by the lien of any Underlying Mortgages, except in accordance with the terms of such Underlying Notes and Underlying Mortgages, (ii) exercise any right or privilege of prepayment of any Underlying Notes, or (iii) enter into any agreement with respect to any Underlying Loan Documents or any other instruments or documents securing any Underlying Notes, modifying or amending the same or any part thereof or providing for the waiver of any of their provisions.

M. Mortgagee shall not be deemed to have assumed any indebtedness or other obligations with respect to the Underlying Loan Documents.

32. **Restrictions on Transfer.** Except with respect to and in connection with the Condo Conversion, Mortgagor shall not, without the prior written consent of Mortgagee effect, suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance, alienation or agreement to do any of the foregoing of any of the Premises, excepting only sales or other dispositions of personal property no longer useful in connection with the operation of the Real Estate, provided that prior to the sale or disposition thereof the same has been replaced by personal property having equal value and utility which is subject to the lien hereof with the same priority as with respect to the personal property disposed of. Included in such prohibition are the following:

A. All or any portion of the beneficial interest or power of direction in or to the trust under which the Trustee is acting; and

B. Any membership interests, stock interests or certificates of the Beneficiary, of a corporation which is a member of the Beneficiary, or of a corporation which is the owner of substantially all of the capital stock of any corporation or limited liability company described in this subparagraph (other than the shares of capital stock of a corporate trustee or a corporation whose stock is publicly traded on a national securities exchange or on the National Association of Securities Dealer's Automated Quotation System);

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this Paragraph shall not apply (i) to liens securing the Indebtedness, (ii) to the lien of current taxes and assessments not in default or (iii) to any transfers of the Premises, or part thereof, or interest therein, or any beneficiary interests, or membership interests or shares of stock or certificates, as the case may be, by or on behalf of an owner thereof for estate planning purposes either during such owner's lifetime or after death or a declaration of incompetency, to such owner's heirs, legatees, devisees, executors, administrators, estate or personal representatives.

33. **Trustee's Exculpatory Clause.** This Mortgage is executed by the Trustee, not personally, but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee hereby warrants in its individual capacity that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on said Trustee personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, representation, agreement or condition, either express or implied herein contained, or with regard to any warranty contained in this Mortgage except the warranty made in this Paragraph, all such liability, if any, of Trustee personally being expressly waived by right or security hereunder; provided that nothing herein contained shall be construed in any way so as to affect or impair the lien of this Mortgage or Mortgagee's right to the foreclosure thereof,

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or construed in any way so as to limit or restrict any of the rights and remedies of Mortgagee in any such foreclosure proceeds or other enforcement of the payment of the Indebtedness out of and from the security given therefor in the manner provided herein, or construed in any way so as to limit or restrict any of the rights and remedies of Mortgagee against Beneficiary personally or under any other document or instrument evidencing, securing or guarantying the Indebtedness.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly signed, sealed and delivered the day and year first above written.

MORTGAGOR:
LASALLE NATIONAL TRUST, N.A.,
solely as Trustee as aforesaid **AND NOT PERSONALLY**

By: *Rosmary Calloway*
Assistant Vice President

ATTEST:

Maureen A. Stack
Assistant Secretary

431 SOUTH DEARBORN, L.L.C.
By: MONROE REALTY & MANAGEMENT CO., Member

By: *Charles L. Strobeck*
Charles L. Strobeck, President

Property of Cook County Clerk's Office

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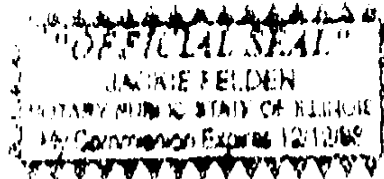
STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, Jackie Felden, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Rosemary Collins personally known to me to be the ASST. Vice President of LaSalle National Trust, N.A. and Nancy A. Stack, personally known to me to be the ASST. Secretary of LaSalle National Trust, N.A. are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said Trust, as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 3rd day of January, 1997



Notary Public



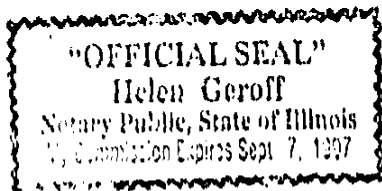
STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

I, Helen Geroff a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that CHARLES L. STEBECK, personally known to me to be the President of MONROE REALTY & MANAGEMENT CO., a member of 431 SOUTH DEARBORN, L.L.C. is 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 acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said companies, as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 2nd day of January, 1997



Notary Public



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SCHEDULE A TO MORTGAGE

DESCRIPTION OF REAL ESTATE

PARCEL 1:

LOTS 13, 18 AND 19 (EXCEPT THAT PORTION OF SAID LOTS TAKEN FOR DEARBORN STREET) IN BLOCK 138 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF DEARBORN STREET, AS LAID OUT LYING WEST OF THE LAND DESCRIBED AS PARCEL 1 ABOVE AND LYING EAST OF THE EAST LINE OF BLOCK 123 BEING ALSO DESCRIBED AS THAT PART OF DEARBORN STREET FALLING WITHIN BLOCK 138 AND LYING WEST OF PARCEL 1.

PERMANENT INDEX NUMBER: 17-6-246-003-0000

*431 & Dearborn
Chicago*

. DEPT-01 RECORDING \$59.00
. T#0012 TRAN 3633 01/07/97 11:24:00
. \$6925 + CG *-97-011905
. COOK COUNTY RECORDER
. DEPT-10 PENALTY \$56.00

UNOFFICIAL COPY

SCHEDULE B TO MORTGAGE

PERMITTED EXCEPTIONS

(a) covenants, conditions and restrictions of record; (b) private, public and utility easements; (c) party wall rights and agreements; (d) existing leases and tenancies; (e) special taxes or assessments for improvements not yet completed; (f) Strobeck Mortgage; (g) LaSalle Mortgage; (h) encroachments as shown on the title commitment; (i) City of Chicago landmark ordinances; (j) rights of others in and to Dearborn Street; and (k) general taxes for the year 1996 and subsequent years including taxes which may accrue by reason of new or additional improvements during the year 1997.

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