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COOK COUNTY RECORDER

**MORTGAGE, ASSIGNMENT OF
LEASES AND RENTS AND SECURITY AGREEMENT**

made by

LONG DRIVE INVESTORS I, L.L.C.,
a Delaware limited liability company

to

BHF-BANIC Aktiengesellschaft,
Grand Cayman Branch,
as Agent for Lenders described herein

May 9, 1997

133.00

7592108 D2 1a4

**Permanent Index
Tax Identification:**

Street Address: 5401 Old Orchard Road
City/Village Skokie
State: Illinois
Zip Code:
Parcel Identifier Nos.:

**Prepared By and After
Recording Return To:**

Patterson, Belknap, Webb & Tyler LLP
1133 Avenue of the Americas
New York
New York
10036
William W. Weisner, Esq.

Fee Parcels: Parcel 1:
Parcel 2:
Parcel 3:

PIN# 10-09-301-001

10-09-312-010

10-09-312-014

Easement Parcels: Parcel 4:
Parcel 5:
Parcel 6:

10-09-304-020

10-09-312-009

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BOX 333-CT1

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EXHIBITS:

- Exhibit A -- Mortgaged Property Description
- Exhibit B -- Permitted Encumbrances
- Exhibit C -- Leasing Guidelines

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MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT made as of the 9th day of May, 1997 by LONG DRIVE INVESTORS I, L.L.C., a Delaware limited liability company having an office at 900 North Michigan Avenue, Suite 1900, Chicago, Illinois 60611, Attn: William J. Abrams ("Mortgagor"), to BHF-BANK Aktiengesellschaft, a German bank acting through its Grand Cayman Branch, having an address c/o New York Branch, 590 Madison Avenue, New York, New York 10022-2540 (the "Agent"), as agent for Lenders (as defined below).

RECITALS

Mortgagor has requested that Agent arrange a loan (the "Loan") to Mortgagor in the maximum principal amount of up to Eighteen Million and 00/100 (\$18,000,000) Dollars (the "Loan Amount"), pursuant to a Credit Agreement dated the date hereof (the "Credit Agreement") between Mortgagor and Agent, as agent for Lenders (as defined in the Credit Agreement). In order to evidence Mortgagor's obligation to pay the Loan, Mortgagor will execute and deliver to Agent, as agent for Lenders, one or more promissory notes dated the date hereof aggregating the Loan Amount (collectively, the "Note").

As a condition precedent to arranging the Loan to Mortgagor, to be funded by Lenders upon the terms and conditions set forth in the Credit Agreement, Agent has required that Mortgagor execute and deliver this Mortgage.

NOW THEREFORE, in order to induce Agent to arrange the Loan and Lenders, collectively, to fund the Loan, Mortgagor agrees as follows:

ARTICLE I

DEFINITIONS

As used in this Mortgage the terms defined in the Preamble and Recitals hereto shall have the respective meanings specified therein, and the following terms shall have the meanings indicated:

"Accounts" has the meaning set forth in the Credit Agreement.

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"Additions" means any and all alterations, additions, accessions and improvements to Mortgaged Property, substitutions therefor, and renewals and replacements thereof.

"Affiliates" means entities controlling, controlled by or under common control with Walton Street Real Estate Fund I, L.L.C., a Delaware limited liability company.

"Borrower Group" means Walton Street Real Estate Fund I, L.L.C., a Delaware limited liability company, and its Affiliates.

"Casualty" means any act or occurrence of any kind or nature that results in damage, loss or destruction to the Mortgaged Property.

"Claim" means any liability, suit, action, claim, demand, loss, expense (including, without limitation, attorney's fees) or cost of any kind or nature whatsoever.

"Condemnation" means any taking of title, of use, or of any other interest in the Mortgaged Property under the exercise of the power of eminent domain, whether temporarily or permanently, by any Governmental Authority or by any Person acting under Governmental Authority.

"Condemnation Awards" means any and all judgments, awards of damages (including, but not limited to, severance and consequential damages), payments, proceeds, settlements, amounts paid for a taking in lieu of Condemnation, or other compensation heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, or in connection with, any Condemnation or threatened Condemnation.

"Credit Agreement" means the Credit Agreement of even date herewith between Mortgagor and Agent, as agent for Lenders, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Credit Documents" means collectively this Mortgage, the Note, the Credit Agreement, the Pledge Agreement, the Lockbox Agreement, the Indemnity Agreement, and any and all other documents which Mortgagor or any other party or parties have executed and delivered, or may hereafter execute and deliver, to evidence, secure or guarantee the Obligations, or any part thereof, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Default" or "default" means an event which, with the giving of Notice or lapse of time, or both, could or would constitute an Event of Default under the provisions of this Mortgage.

"Encumbrance" means any Lien, easement, right of way, roadway (public or private), common area, condominium regime, cooperative housing regime, restrictive covenant, Lease or other matter of any nature that would affect title to the Mortgaged Property.

"Environmental Laws" mean all present and future laws, statutes, ordinances, rules, regulations, orders, and determinations of any governmental authority, pertaining to health, fire

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safety, protection of the environment, natural resources, conservation, wildlife, waste management, regulation of activities involving Hazardous Materials, and pollution, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.*, the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. § 9601(20)(D), the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 *et seq.*, the Federal Water Pollution Control Act, as amended by the Clean Water Act (the "Clean Water Act"), 33 U.S.C. § 1251 *et seq.*, the Clean Air Act, 42 U.S.C. § 7401 *et seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, as amended from time to time, and the Occupational Health and Safety Act.

"Equipment" means all building materials, fixtures, equipment and other tangible personal property of every kind and nature whatsoever (other than consumable goods, and trade fixtures or other personal property owned by tenants occupying the Premises), now or hereafter located or contained in or upon, or attached to, the Premises, whether now owned or hereafter acquired by Mortgagor and used in connection with the Premises; together with all Additions to the Equipment and Proceeds thereof.

"Event of Default" means the occurrence of any one or more of the events specified in Article IV of this Mortgage and the continuance of such event beyond the applicable cure periods, if any, set forth in Article IV with respect to such event.

"Expense" means all costs and expenses of any nature whatsoever incurred at any time and from time to time (after an Event of Default) by Agent or Lenders (other than time of Agent's or any Lender's employees) in exercising or enforcing any rights, powers and remedies provided in this Mortgage or any of the other Credit Documents and for which Mortgagor is obligated to reimburse Agent or Lenders pursuant to the terms of this Mortgage or any of the other Credit Documents, including, without limitation, reasonable attorney's fees, court costs, receiver's fees, management fees and costs incurred in the repair, maintenance and operation of, or taking possession of, or selling, the Mortgaged Property.

"Governmental Authority" or "Governmental Authorities" means any governmental or quasi-governmental entity, including, without limitation, any department, commission, board, bureau, agency, administration, service or other instrumentality of any governmental entity.

"Hazardous Materials" means any (i) hazardous wastes and/or toxic chemicals, materials, substances or wastes as defined by the Environmental Laws; (ii) any "oil" as defined by the Clean Water Act (as defined in the definition of Environmental Laws), as amended from time to time, and regulations promulgated thereunder (including crude oil or any fraction thereof); (iii) any substance, the presence of which is prohibited, regulated or controlled by any other applicable federal or state or local laws, regulations, statutes or ordinances now in force or hereafter enacted relating to waste disposal or environmental protection with respect to the exposure to, or manufacture, possession, presence, use, generation, storage, transportation, treatment, release, emission, discharge, disposal, abatement, cleanup, removal, remediation or handling; (iv) any asbestos or asbestos containing materials, polychlorinated biphenyl in the form of electrical equipment, fluorescent light

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fixtures with ballasts, cooling oils or any other form, urea formaldehyde, atmospheric radon at levels over four picocuries per cubic liter; (v) any solid, liquid, gaseous or thermal irritant or contaminant, such as smoke, vapor, soot, fumes, alkalis, acids, chemicals, pesticides, herbicides, sewage, industrial sludge or other similar wastes; (vi) industrial, nuclear or medical by-products; (vii) underground storage tanks (whether filled or unfilled); and (viii) lead in the drinking water, paint or elsewhere; provided, however, that any materials normally stored and used in connection with the construction, operation or maintenance of the Mortgaged Property shall be permitted on the Mortgaged Property so long as same are at all times stored, used and maintained in accordance with all applicable Laws.

"Hazardous Materials Contamination" means the contamination (whether presently existing or occurring after the date of this Mortgage) of the Improvements, facilities, soil, ground water, air or other elements on, or of, the Mortgaged Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, ground water, air or other elements on, or of, any other property as a result of Hazardous Materials at any time (whether before or after the date of this Mortgage) emanating from the Mortgaged Property.

"Improvements" means all buildings, structures and other improvements now or hereafter existing, erected or placed on or at the Premises or in any way used in connection with the use, enjoyment, occupancy or operation of the Premises.

"Indemnity Agreement" means that certain Hazardous Materials Indemnity Agreement of even date herewith between Mortgagor and Agent, as agent for Lenders, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Intercreditor Agreement" has the meaning set forth in the Credit Agreement.

"Involuntary Rate" has the meaning set forth in the Credit Agreement.

"Land" means the land described in Exhibit A attached hereto, together with (a) all estates, title, interests, title reversion rights, increases, issues, profits, rights of way or uses, additions, accretions, servitudes, gaps, gores, liberties, privileges, water rights, water courses, alleys, streets, passages, ways, vaults, licenses, tenements, franchises, hereditaments, appurtenances, easements and other rights, now or hereafter owned by Mortgagor and belonging or appertaining to the Land, (b) all Claims whatsoever of Mortgagor with respect to the Land, either in law or in equity, in possession or in expectancy, and (c) all estate, right, title and interest of Mortgagor in and to all streets, roads and public places, opened or proposed, now or hereafter adjoining or appertaining to, the Land.

"Laws" means federal, state and local laws, rules, ordinances and regulations, and orders or decrees of any court or other Governmental Authority having jurisdiction over the Land as may be in effect from time to time.

"Leases" means all leases, license agreements and other occupancy or use agreements (whether oral or written), now or hereafter existing, which cover or relate to the Mortgaged Property.

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together with all options therefor, amendments thereto and renewals, modifications and guarantees thereof, including, without limitation, any cash or securities deposited under the Leases to secure performance by the tenants of their obligations under the Leases (subject to the rights of tenants under the Leases), whether such cash or securities are to be held until the expiration of the terms of the Leases or applied to one or more of the installments of rent coming due.

"Lien" means any mortgage, deed of trust, pledge, security interest, assignment, judgment, lien or charge of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code of any jurisdiction.

"Lockbox Agreement" means that certain Agreement for Lockbox Service dated the date hereof between Mortgagor, Agent and American National Bank, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Mortgage" means this Mortgage, Assignment of Leases and Security Agreement executed by Mortgagor to Agent, as agent for Lenders, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Mortgaged Property" means all of Mortgagor's estate, right, title and interest in all property granted, assigned, pledged, mortgaged or otherwise transferred to Agent, as Agent for Lenders, pursuant to Article II of this Mortgage, and all Additions to, and Proceeds of, all of the foregoing.

"Net Proceeds" when used with respect to any Condemnation Awards or insurance proceeds allocable to the Mortgaged Property, means the gross proceeds from any Casualty or Condemnation or the proceeds of loss of rental value insurance or the proceeds of business interruption insurance remaining after payment of all Expenses incurred in the collection of such gross proceeds.

"Notice" means a written communication which shall be given in accordance with the provisions of Section 13.6 of the Credit Agreement.

"Obligations" means all present and future debts, obligations and liabilities of Mortgagor to Agent, as agent for Lenders, arising pursuant to, and/or on account of, the provisions of this Mortgage and any of the other Credit Documents, including, without limitation, the obligations to (a) pay all Expenses, indemnification payments and other sums due at any time under this Mortgage together with interest thereon as provided in Section 3.19 hereof, and (b) perform, observe and comply with all of the terms, covenants and conditions, expressed or implied, which Mortgagor is required to perform, observe or comply with under this Mortgage and any of the other Credit Documents.

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"Permitted Encumbrances" means (a) the exceptions listed in Exhibit B attached hereto and made a part hereof by this reference and (b) this Mortgage.

"Permitted Transfer" means a Transfer of any interests in Mortgagor which, when combined with all other Transfers of interests in Mortgagor made on or after the date hereof, does not result in any members of the Borrower Group collectively owning less than 51% of Mortgagor.

"Person" means an individual, a corporation, a partnership, a limited liability company, a joint venture, a trust, an unincorporated association, any Governmental Authority or any other entity.

"Personalty" means all of Mortgagor's interest in personal property of any kind or nature whatsoever, whether tangible or intangible and whether now owned or hereafter acquired, which is used in the construction of, or is placed upon, or is derived from or used in connection with the maintenance, use, occupancy or enjoyment of, the Mortgaged Property, including, without limitation, (a) the Equipment, (b) any franchise, concession or license agreements and management agreements entered into with respect to the Mortgaged Property or the business conducted therein (provided all of such agreements shall be subordinate to this Mortgage, and neither Agent nor Lenders shall have any responsibility for the performance of Mortgagor's obligations thereunder), (c) all plans and specifications, contracts and subcontracts for the construction or repair of the Improvements, sewer and water taps, allocations and agreements for utilities, bonds, permits, licenses, guarantees, warranties, causes of action, judgments, Claims, profits, security deposits, utility deposits, refunds of any taxes, fees or deposits paid to any Governmental Authority, letters of credit and policies of insurance and (d) all materials now or hereafter delivered to or located upon the Land and intended for construction, re-construction, alteration or repair of the Improvements, all of which materials shall be deemed to be included within the Mortgaged Property immediately upon the delivery thereof to the Land; together with all Additions to the Personalty and Proceeds thereof.

"Pledge Agreement" means that certain Pledge Agreement of even date herewith between Mortgagor and Agent, as agent for Lenders, the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Premises" means the Land, the Improvements, the Equipment and all Additions to, and Proceeds of, all of the foregoing.

"Proceeds" when used with respect to any of the collateral described in this Mortgage, means all proceeds within the meaning of the Uniform Commercial Code of the State and shall also include the proceeds of any and all insurance policies and Condemnation Awards.

"Property Assessments" means all taxes, payments in lieu of taxes, water rents, sewer rents, assessments, and other governmental or municipal charges and levies which are or may be levied, imposed or assessed upon the Mortgaged Property or any part thereof, or upon any Leases or any Rents, whether levied directly or indirectly or as excise taxes.

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"Rents" means all of the receipts, rents, royalties, issues, profits, revenues, earnings, income arising from the use or enjoyment of the Mortgaged Property, or from any Lease or other use or occupancy agreement pertaining to the Mortgaged Property, and all rights to receive the same, including, but not limited to, accounts receivable, minimum rents, additional rents, parking rents, deficiency rents and liquidated damages following default by the tenants thereunder and any amounts payable by any tenant upon the exercise of a cancellation privilege contained in its Lease; any and all rights and claims of any kind which Mortgagor has or hereafter may have against the tenants under the Leases and any subtenants and other occupants of the Mortgaged Property; any award granted Mortgagor after the date hereof in any court proceeding involving any tenant in any bankruptcy, insolvency, or reorganization proceedings in any state or federal court; and any and all payments made by any tenant in lieu of rent.

"State" means the State of Illinois.

"Transfer" means a sale, conveyance, alienation, encumbrance, pledge or transfer of all or any portion of the Mortgaged Property, and shall be deemed to include, without limitation, (i) an installment sales agreement wherein Mortgagor agrees to sell the Mortgaged Property or any part thereof for a price to be paid in installments, (ii) a ground lease of the Mortgaged Property, and (iii) a sale, assignment or other transfer of, or the grant of a security interest in, Mortgagor's right, title and interest in and to any Leases or any Rents.

ARTICLE II

GRANTING CLAUSES

In order to secure the prompt payment and performance of the Obligations, Mortgagor hereby irrevocably grants, bargains, sells, transfers, releases, mortgages, hypothecates, pledges, sets over and conveys unto Agent, as agent for Lenders, all of Mortgagor's right, title and interest in and to any and all of the following described property (collectively, the "Mortgaged Property") whether now or hereafter acquired:

- (i) the Land;
- (ii) the Improvements;
- (iii) the Personalty;
- (iv) all Leases, together with the rents, issues, income, and profits thereof, and all cash or security deposits, advance rentals, and deposits or payments made thereunder (except that Mortgagor, as licensee of Agent shall have the right to collect such rents and other amounts, subject to the provisions of this Mortgage, so long as no Event of Default shall have occurred and be continuing);

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(v) subject to Section 3.09, all proceeds of and any unearned premiums accrued, accruing or to accrue under any insurance policies (including, without limitation, title insurance policies) now or hereafter covering the Premises;

(vi) all books and records relating to the Premises;

(vii) all warranties, plans and specifications relating to the Premises or the Personalty;

(viii) to the extent assignable, all consents, certificates, authorizations, variances, waivers, licenses, permits and approvals from any Governmental Authority with respect to the Mortgaged Property;

(ix) to the extent assignable, all management, maintenance, service, marketing, engineering, architectural and construction contracts, receipts, trademarks, names, logos, copyrights, and other items of intangible personal property now or hereafter in existence and relating to the ownership, improvement, operation or management of the Premises (but no such assignment shall be construed as a consent by Agent or Lenders to any agreement, contract, license or permit so assigned, or to impose upon Agent or Lenders any obligations with respect thereto);

(x) to the extent assignable, all of Mortgagor's rights and remedies at any time arising under or pursuant to § 365(h) of the Bankruptcy Code, including, without limitation, all of Mortgagor's rights to remain in possession of the Mortgaged Property thereunder.

(xi) all interest rate swap, exchange or protection agreements with respect to any debt secured in whole or in part by the Mortgaged Property now or hereafter entered into by Mortgagor;

(xii) all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, and subject to the provisions of Section 3.09 hereof, proceeds of insurance and condemnation awards, and all rights of Mortgagor to refunds of real estate taxes and assessments; and

(xiii) all right, title and interest of Mortgagor in and to all extensions, improvements, betterments, renewals, substitutions and replacements of, and all additions and appurtenances to, the Land, the Improvements and/or any other property or rights encumbered or conveyed hereby, hereafter acquired by or released to Mortgagor or constructed, assembled or placed by Mortgagor on the Land, the Improvements and/or any other property or rights encumbered or conveyed hereby, and all conversions of the security constituted thereby which, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case without any further mortgage, conveyance, assignment or other act by Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by Mortgagor and as specifically described herein.

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(xiv) all future obligations and indebtedness arising under or in connection with the Credit Agreement, this Mortgage and any of the other Credit Documents, which future obligations and indebtedness shall have the same priority as if all such future obligations and indebtedness were made on the date of execution hereof, provided, however, that nothing in this Section or in any other provision of this Mortgage shall be deemed either (a) an obligation on the part of Agent or any Lender to make any future advances of any sort other than as expressly set forth in the Credit Agreement or (b) an agreement on the part of Agent or any Lender to increase the amount of the Loan.

TO HAVE AND TO HOLD unto Agent, as agent for Lenders, its successors and assigns forever.

ARTICLE III

CERTAIN AGREEMENTS BY MORTGAGOR

Mortgagor represents, warrants, covenants and agrees with Agent and Lenders, that:

Section 3.01 Title. Mortgagor is (a) the owner of the legal title to the Premises, (b) except for the Permitted Encumbrances, the owner of all of the beneficial and/or equitable interest in and to the Premises, and (c) lawfully seized and possessed of the Premises. Mortgagor has the right and authority to convey the Premises and does hereby warrant generally, and agrees to defend, the Premises and the title thereto, whether now owned or hereafter acquired, against all Claims by any Person. The Premises are subject to no Encumbrances other than the Permitted Encumbrances. Mortgagor has good title to the Personalty, and the Personalty is not subject to any Encumbrance other than the Permitted Encumbrances. The Leases and Rents are not subject to any Encumbrance other than the Permitted Encumbrances. This Mortgage is and shall remain a valid and enforceable first lien on the Mortgaged Property, subject any to the Permitted Encumbrances.

Section 3.02 Further Assurances. At any time, and from time to time, upon the reasonable request by Agent, the Mortgagor will, at Mortgagor's expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Credit Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of Agent, be necessary in order to complete, perfect or continue and preserve the Lien of this Mortgage, but Mortgagor's obligations as set forth herein shall not be expanded thereby and Mortgagor's rights as set forth herein shall not be diminished thereby. Upon any failure by Mortgagor to do so, Agent may make, execute and record any and all such instruments, certificates and documents for and in the name of Mortgagor, all at the sole expense of Mortgagor, and Mortgagor hereby irrevocably appoints Agent the agent and attorney in fact of Mortgagor to do so, this appointment being coupled with an interest. With respect to any financing statement, Mortgagor agrees that a carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing

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statement for purposes of the Uniform Commercial Code of the State. Agent shall not create any personal liability on the part of Mortgagor in the exercise of such power of attorney.

Section 3.03 Taxes. For purposes of this Mortgage, the following provisions shall be applicable to the payment of Property Assessments:

(a) **Payment by Mortgagor.** Mortgagor shall (i) pay all Property Assessments not later than the date that same are due and before any interest or penalty for nonpayment attaches thereto; (ii) pay when due any ad valorem or excise tax or other public charge (other than any tax in the nature of an income tax) imposed or levied upon the Credit Documents, including any interest and penalties incurred in connection therewith; and (iii) within thirty (30) days after the due date of any installment, thereof submit to Agent evidence satisfactory to Agent of the payment of each Property Assessment. Mortgagor shall have the right to contest in good faith the amount or validity of any Property Assessment or Law by appropriate administrative or judicial proceedings conducted promptly and at Mortgagor's sole expense, but such proceedings shall not be deemed to relieve Mortgagor of its covenant hereunder to pay such Property Assessment at the time and in the manner herein provided, or to extend the time for such payment, unless (w) such proceedings operate to prevent the collection of, or other realization upon, such Property Assessments or enforcement of the Law so contested, (x) there will be no sale, forfeiture or loss of any of the Mortgaged Property during the contest, (y) neither Agent nor Lenders is subjected to any Claim, and (z) Mortgagor provides assurances reasonably satisfactory to Agent (including, without limitation, setting aside reserves in the amount of the unpaid Property Assessments) of its ability to pay such Property Assessments or comply with such Law (including an additional charge, penalty or expense arising from or incurred as a result of any such proceeding) in the event Mortgagor is unsuccessful in its contest. Mortgagor shall provide Agent with prior written Notice of any such contest or other action. Each such contest shall be promptly prosecuted to final conclusion or settlement, and Mortgagor shall indemnify and save Agent and Lenders harmless against all Claims in connection therewith. Promptly after the settlement or conclusion of such contest or action, Mortgagor shall comply with such Law and/or pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable, together with all penalties, fines, interests, costs and expenses in connection therewith.

(b) **Payment by Agent.** If Mortgagor fails to pay any Property Assessment as required hereunder, and, as a result of such failure, an Event of Default exists hereunder, Agent, acting in its reasonable discretion, shall be entitled to make such payment according to any bill, statement or estimate procured from the appropriate Governmental Authority without making inquiry into the accuracy of such bill, statement or estimate or into the validity of such Property Assessment, sale, forfeiture, tax lien, or title or claim thereof.

Section 3.04 Maintenance and Repair of the Mortgaged Property. Mortgagor, at its sole expense, will (a) keep and maintain the Mortgaged Property in good condition, working order and repair, (b) make all necessary or appropriate repairs and Additions to the Mortgaged Property so that each part of the Mortgaged Property shall at all times be in good condition and fit and proper for the respective purposes for which they were intended, erected, or installed, (c) not

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permit, commit or suffer any waste of the Mortgaged Property, (d) promptly repair, restore, replace or rebuild any part of the Mortgaged Property now or hereafter subject to the lien of this Mortgage which may be damaged or destroyed by any casualty whatsoever or which may be affected by any proceeding of the character referred to in the provisions of Section 3.08 hereof, (e) obey and comply with all Laws, (f) observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, by way of example rather than of limitation, all zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions which are applicable to the Mortgaged Property or are granted to or contracted for by Mortgagor in connection with existing or contemplated use of the Mortgaged Property, (g) obey and carry out every material covenant, agreement, restriction and encumbrance contained in any instrument recorded among the Land Records of Cook County, Illinois, or known to Mortgagor, which may from time to time be in force and apply to or affect the Mortgaged Property or Mortgagor's interest therein, and shall not use (and shall use its best efforts not to permit the use by others of) any or all of the Mortgaged Property in contravention thereof, and (h) permit Agent, Lenders and their agents or employees to enter upon and inspect the Mortgaged Property at any time during normal business hours, upon 48 hours prior notice.

Section 3.05 Legal Actions. Mortgagor represents and warrants to Agent that there are no (a) Claims pending or, to the best of Mortgagor's knowledge and belief, threatened in writing, against or affecting Mortgagor, Mortgagor's business or the Mortgaged Property which may have a material adverse affect on the Mortgaged Property, or (b) investigations at law or in equity, before or by any court or Governmental Authority, pending or, to the best of Mortgagor's knowledge and belief, threatened in writing, against or affecting Mortgagor, Mortgagor's business or the Mortgaged Property. Mortgagor represents and warrants to Agent that, to the best of Mortgagor's knowledge and belief, neither Mortgagor nor the Mortgaged Property is (i) in violation of any Laws or (ii) is in default with respect to any order, writ, injunction, decree or demand of any court or any Governmental Authority affecting Mortgagor or the Mortgaged Property. Mortgagor shall comply with and not violate, and use its best efforts to cause to be complied with and not violated by others, all present and future Laws applicable to the Mortgaged Property and its use and operation. Mortgagor shall promptly give Agent written notice of the receipt of any notice of failure to comply with or violation of any Laws.

Section 3.06 Existing Improvements. Mortgagor represents and warrants to Agent and Lenders that, to the best of Mortgagor's knowledge and belief, the existing Improvements are being maintained in accordance with all applicable Laws, including, without limitation, zoning Laws.

Section 3.07 Insurance. Mortgagor shall maintain the following insurance at its sole cost and expense:

(a) Insurance against Casualty to the Mortgaged Property under a policy or policies covering such risks as are ordinarily insured against by similar properties. Unless otherwise agreed in writing by Agent, such insurance shall be for the full insurable value of the Mortgaged Property and shall provide full extended coverage, including the so-called "All Risks of Physical Loss"

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coverage. No policy of insurance shall be written such that the proceeds thereof will produce less than the minimum coverage required by this Section by reason of co-insurance provisions or otherwise. The term "full insurable value" means the actual replacement cost of the Mortgaged Property (excluding foundation and excavation costs and costs of underground flues, pipes, drains and other uninsurable items).

(b) Comprehensive general liability insurance for injuries to Persons and damage to Mortgaged Property, in limits of not less than \$5,000,000 for any one occurrence and \$10,000,000 for the aggregate of all occurrences during any given annual policy period. Such insurance shall name Agent and each of Lenders as additional insureds.

(c) Workers' compensation insurance for all employees of Mortgagor in such amount as is required by Law and employers liability coverage.

(d) During any period of construction upon the Mortgaged Property, Mortgagor's insurance policies shall provide a standard builder's risk, fire and hazard policy with extended coverage, specifically to include a "collapse" endorsement and a "permit to occupy" endorsement, in the amount of one hundred percent (100%) of the full insurable value of any Improvements.

(e) If at any time the Mortgaged Property is in an area that has been identified as having special flood and mud slide hazards or earthquakes, and flood and/or earthquake insurance is available in such area, Mortgagor shall purchase and maintain a flood and/or earthquake insurance policy in form and amount acceptable to Agent. In the event that the Mortgaged Property is not in an area having special flood and mud slide hazards, Mortgagor shall deliver to Agent upon request evidence satisfactory to Agent stating that the Mortgaged Property is not in such a flood or mud slide hazard area.

(f) Mortgagor will obtain and keep in force such other and further insurance as may be reasonably required from time to time by Agent in order to comply with regular requirements and practices of Agent in similar transactions, against loss or damage of the kinds from time to time customarily insured against, in such amounts as are generally available at commercially reasonable premiums and in such amounts and such forms as are generally required by institutional lenders for properties comparable to the Mortgaged Property.

Each policy of insurance shall (i) be issued by one or more recognized, financially sound and responsible insurance companies reasonably approved by Agent and which are qualified or authorized by the Laws of the State to assume the risks covered by such policy and having an A.M. Best's rating of "A.X" or better and A minus or better from S&P, (ii) with respect to the insurance described under the preceding subsections (a), (d), (e) and (f), have attached thereto standard non-contributing, non-reporting mortgagee clauses in favor of and entitling Agent without contribution to collect any and all proceeds payable under such insurance, (iii) provide that such policy shall not be canceled or modified without at least thirty (30) days prior written notice to Agent, and (iv) provide that any loss otherwise payable thereunder shall be payable notwithstanding any act

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or negligence of Mortgagor which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment. Unless an escrow account has been established for insurance premiums pursuant to Section 3.25(c), Mortgagor shall promptly pay all premiums when due on such insurance, deliver to Agent evidence of payment thereof no later than fifteen (15) days after the due date of any installment thereof and, not less than fifteen (15) days prior to the expiration dates of each such policy, Mortgagor will deliver to Agent a certificate (on Accord 27 Form) as to a renewal policy or policies. Mortgagor will immediately give Agent written Notice of any cancellation of, or change in, any insurance policy. Agent shall not, because of accepting, rejecting, approving or obtaining insurance, incur any liability for (i) the existence, nonexistence, form or legal sufficiency thereof, (ii) the solvency of any insurer, or (iii) the payment of losses. All references to Agent in any insurance policy, endorsement, certificate, binder, or certified copy shall refer to Agent exactly as follows (unless and until Agent advises Mortgagor otherwise): "BHF-BANK Aktiengesellschaft, acting through its Grand Cayman Branch, As Agent, and its successors, assigns, and affiliates, as their interests may appear, c/o New York Branch, 590 Madison Avenue, New York, New York 10022-2540."

Section 3.08 Adjustment of Casualty and Condemnation Claims. Mortgagor shall give prompt written Notice to Agent of any Casualty, Condemnation or threatened (in writing) Condemnation. Agent is authorized, at its sole expense, to appear in, any action or proceeding relating to any Condemnation or Casualty. Mortgagor shall not settle or compromise any Claim in connection therewith without the prior written consent of Agent, which consent shall not be unreasonably withheld or delayed. If, prior to the receipt by Agent of any Condemnation Award or insurance proceeds, the Mortgaged Property shall have been sold pursuant to the provisions of Section 4.02, Agent shall have the right to receive such funds to the extent of (a) any deficiency found to be due upon such sale, with interest thereon (whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied), and (b) additional amounts necessary to reimburse Agent for its Expenses. Mortgagor agrees to execute and deliver from time to time, upon the request of Agent, such further instruments or documents as may be requested by Agent to confirm the grant and assignment to Agent of any Condemnation Awards or insurance proceeds.

Section 3.09 Application of Net Proceeds.

(a) If the total amount of the Net Proceeds will not exceed Five Hundred Twenty Thousand and 00/100 Dollars (\$520,000.00) and no Event of Default shall have occurred and be continuing hereunder, Agent shall allow the Net Proceeds to be disbursed directly to Mortgagor, without retentions or holdbacks, to be applied to payment of the costs of restoration. If the Net Proceeds are more than Five Hundred Twenty Thousand and 00/100 (\$520,000.00) Dollars but less than Four Million One Hundred Twenty Thousand and 00/100 Dollars (\$4,120,000.00), Agent shall hold the Net Proceeds, to be made available to Mortgagor for the payment of the costs of restoration, subject to the controls and requirements set forth below in this Section 3.09. In the event of any insured damage to or destruction of the Mortgaged Property or any part thereof where the loss exceeds Four Million One Hundred Twenty Thousand and 00/100 (\$4,120,000.00) Dollars, Agent, in its sole and absolute discretion, may apply the Net Proceeds, in whole or in part, to either (x) the

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payment of the Loan or (y) the restoration or replacement of the Mortgaged Property to substantially the condition it was in prior to the damage, destruction or condemnation, with such modifications as may be required to conform with changes in the law, code, rules and regulations. If Agent is required to or elects to apply the proceeds to restoration, each of the following conditions shall at all times be met and complied with:

(i) An escrow account shall have been established with Agent composed of Net Proceeds, and, if necessary, additional deposits made by Mortgagor, which, in the sole judgment of Agent, is sufficient to restore the Mortgaged Property to its use, value and condition immediately prior to the Casualty or Condemnation, with such modifications as may be required to conform with changes in Laws. Agent shall be entitled, at the expense of Mortgagor, to consult such professionals as Agent may deem reasonably necessary, in its sole discretion, to determine the total costs of restoring the Mortgaged Property. Agent shall hold the funds in a segregated, interest-bearing account and interest earned shall be added to and be a part of Net Proceeds. Mortgagor hereby assigns and grants to Agent, as agent for Lenders, a security interest in such escrow account and the funds therein to secure the payment and performance of the Obligations following an Event of Default.

(ii) The projected Net Operating Income (as defined in the Credit Agreement) of the Premises for the first twelve (12) months of operation of the Premises after restoration (based on the Rents which will be payable under existing Leases which will be in effect upon completion of the restoration) shall be projected to equal or exceed the amount necessary to provide a Debt Service Coverage Ratio (as defined in the Credit Agreement) of 1.4 to 1.

(iii) Proceeds from rental loss or business interruption insurance, or both, or other moneys of Mortgagor, must be available to Mortgagor in amounts sufficient to pay the debt service under the Note, and all Property Assessments and insurance premiums, during the time required for restoration.

(iv) All restoration will be conducted by Mortgagor or its agents under the supervision of an architect or engineer, or both, selected and paid for by Mortgagor and reasonably approved in advance by Agent.

(v) No Event of Default exists.

(vi) The Restoration can be completed prior to the Maturity Date (as defined in the Credit Agreement) of the Credit Agreement.

(b) If the loss exceeds Four Million One Hundred Twenty Thousand and 00/100 Dollars (\$4,120,000.00) as aforesaid or any of the foregoing conditions of this Section 3.09 are not satisfied, Agent may, in its sole discretion, apply Net Proceeds to the payment of the Obligations.

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(c) Net Proceeds (and any other funds required to be deposited with Agent), if exceeding Five Hundred Twenty Thousand and 00/100 Dollars (\$520,000.00) and if to be applied to restoration pursuant to the terms of subsection 3.09(a) above, shall be disbursed from time to time in accordance with the terms and conditions of standard industry practice for New York-based commercial banks involved in construction lending, and subject also to the following conditions (which shall control in the event of any conflict with the provisions of such construction loan practice):

(i) Restoration shall commence as soon as practicable following receipt of the Net Proceeds by Agent and shall be completed within a reasonable period after the date the Net Proceeds are received.

(ii) The restoration will be performed pursuant to plans and specifications reasonably approved by Agent, in a good and workmanlike manner and in compliance with all Laws.

(iii) With respect to each disbursement and accompanying each request therefor, there shall be delivered to Agent (A) a certificate addressed to Agent from the architect or engineer supervising the restoration stating that such disbursement is to pay the cost of restoration not paid previously by any prior disbursement, that all restoration completed to the date of such certificate has been completed in accordance with applicable Laws and the approved plans and specifications, and that the amount of such disbursement, together with all other disbursements, does not exceed ninety-five percent (95%) of the aggregate of all costs incurred or paid on account of work, labor or services performed on, and materials installed in, the Mortgaged Property at the date of such certificate, and (B) evidence satisfactory to Agent that all Claims then existing for labor, services and materials have been paid in full or will be paid in full from the proceeds of the disbursement requested, including but not limited to waivers of Liens.

(iv) The final five percent (5%) holdback shall be disbursed only upon delivery to Agent, in addition to the items required in subsection (iii) above, of the following:

(A) Final waivers of Liens from all contractors and subcontractors (or if payment is being contested, bonds have been posted sufficient to pay the Mechanics and to remove any liens filed thereby).

(B) A certificate of the architect or engineer supervising the restoration stating that the restoration has been completed in a good and workmanlike manner, in accordance with the plans and specification approved by Agent and in accordance with all applicable Laws.

(v) Immediately upon the occurrence of any Event of Default, Agent may apply Net Proceeds and any other sums deposited with Agent to the repayment of the Obligations.

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Section 3.10 Indemnification. Mortgagor shall appear in and defend any suit, action or proceeding that might in the judgment of Agent affect the value of the Mortgaged Property, the title to the Mortgaged Property, or the rights and powers of Agent or Lenders. Mortgagor also shall defend, indemnify and hold harmless Agent and Lenders from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses imposed upon or incurred by or asserted against Agent or Lenders by reason of any matter whatsoever (other than matters covered in Section 3.16) relating to the Mortgaged Property or the use, non-use or condition of any thereof, including but not limited to, any accident, injury to or death of persons or loss of or damage to Mortgaged Property occurring on or about the Premises or the adjoining sidewalks, curbs, streets or ways (unless caused by the gross negligence or willful misconduct of Agent, Lenders or any of their agents) and/or by reason of any failure by Mortgagor to perform any Obligations. If any action, suit or other proceeding is brought against Agent or Lenders by reason of any such occurrence, each of Agent and Lenders shall have the right, at its expense, to defend against such proceeding or require Mortgagor, at Mortgagor's expense, to defend such proceeding by counsel selected by Mortgagor, which counsel shall be reasonably acceptable to Agent and Lenders.

Section 3.11 Transfer of the Mortgaged Property. Mortgagor shall not cause, permit or suffer a Transfer of (i) all or any part of the Mortgaged Property or any legal or beneficial interest therein or (ii) any interests in Mortgagor, other than a Permitted Transfer.

Section 3.12 Right to Perform. If Mortgagor fails to promptly pay or perform any of the Obligations and such failure continues beyond the expiration of applicable notice and cure periods, Agent, without waiving or releasing any Obligation or Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of Mortgagor. Agent may enter upon the Mortgaged Property for that purpose and take all action thereon as Agent considers necessary or appropriate, provided that Agent shall exercise reasonable care. All Expenses incurred by Agent pursuant to this Section, together with interest thereon at the Involuntary Rate, shall be paid by Mortgagor to Agent as provided in Section 3.19.

Section 3.13 Estoppel Certificates

(a) Within ten (10) days after any request by Agent or a proposed assignee or purchaser of the Loan, Mortgagor shall certify in writing to Agent, or to such proposed assignee or purchaser, the then unpaid balance of the Loan and whether Mortgagor has any right of defense or setoff to the payment or performance of any of the Obligations and such other matters as may be reasonably requested by Agent or such proposed assignee or purchaser.

(b) All Leases (if any) entered into after the date hereof shall require the tenant to execute and deliver to Agent or any proposed assignee or purchaser of the Loan designated by Agent an estoppel certificate in form and substance reasonably acceptable to Agent, from time to time upon request. Mortgagor shall exercise its right to require tenants to execute and deliver such estoppel certificate within ten (10) days after written request from Agent. Agent agrees not to make such written request more than once prior to the occurrence of an Event of Default.

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Section 3.14 Management; Records; Financial Information

(a) Mortgagor at all times shall provide for the competent and responsible management and operation of the Mortgaged Property. Agent shall have the right to approve any manager or management company with respect to the Mortgaged Property, which approval shall not be unreasonably withheld or delayed. Agent approves of Heitman Properties, Ltd. as property manager. Any management contract or contracts affecting the Mortgaged Property must be approved in writing by Agent prior to the execution of the same, which approval shall not be unreasonably withheld or delayed.

(b) Mortgagor will keep and maintain full and accurate records and books administered in accordance with generally accepted accounting principles, consistently applied, showing in detail the earnings and expenses of the Mortgaged Property and the operation thereof. Mortgagor shall permit Agent, any Lender, or any Person authorized by Agent or a Lender, upon reasonable prior notice to inspect and examine such records and books (regardless of where maintained) and all supporting vouchers and data and to make copies and extracts therefrom at all reasonable times and as often as may be requested by Agent. In addition, Mortgagor shall provide Agent with annual financial statements (balance sheet, income statement and cash flow statements) for Mortgagor audited by a Certified Public Accountant and certified by Mortgagor to be true and correct, within one hundred twenty (120) days after the end of each year, and such other reports as to the operating results of the Mortgaged Property as may be required by the Credit Agreement or reasonably requested by Agent from time to time. Agent shall have the right to conduct an independent audit of the financial statements described above at its own expense at any time. Mortgagor shall cooperate with the audit and verification of any such statement.

(c) Mortgagor will not perform any work at the Premises, other than (i) tenant improvement work pursuant to Leases approved by Agent, and (ii) alterations, improvements, demolitions or removals of the Premises or any portion thereof that do not materially and adversely affect the value of the Premises, without the prior written consent of Agent. Mortgagor will complete and pay for, within a reasonable time, any work which Mortgagor is permitted to undertake at the Premises. Mortgagor will construct and erect any permitted improvements (i) strictly in accordance with all applicable Laws and any private restrictive covenants, (ii) when Agent's consent is required, pursuant to plans and specifications approved by Agent, (iii) entirely within the boundaries of the Premises, (iv) so as not to encroach upon any easement or right of way or upon the land of others, (v) wholly within any building restriction lines applicable to the Land. All right, title and interest of Mortgagor in and to all Improvements and Additions hereafter constructed or placed on the Premises and in and to any Equipment hereafter acquired shall, without any further Mortgage, conveyance, assignment or other act by Mortgagor, become subject to the Lien of this Mortgage as fully and completely, and with the same effect, as though now owned by Mortgagor and specifically described in the granting clauses hereof. Mortgagor agrees, however, to execute and deliver to Agent such further documents as may be required pursuant to Section 3.02 hereof.

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Section 3.15 Subrogation To the extent permitted by Law, Agent and Lenders shall be subrogated, notwithstanding its release of record, to any Lien now or hereafter existing on the Mortgaged Property to the extent that such Lien is paid or discharged by Agent or Lenders, as the case may be, whether or not from the proceeds of the Loan. This Section shall not be deemed or construed, however, to obligate Agent or Lenders to pay or discharge any Lien.

Section 3.16 Responsibility for Compliance with Environmental Laws

(a) Mortgagor hereby does represent and warrant that, to its actual knowledge, except as disclosed in the written report dated February 11, 1997 prepared by Versar Inc. and the written report dated March 20, 1996 prepared by American Environmental Consultants, Inc. and provided to Agent prior to the date hereof, (i) no Hazardous Materials are located on the Mortgaged Property in violation of Environmental Laws, (ii) the Mortgaged Property has never been used as a manufacturing, storage or dump site for Hazardous Materials, nor is the Mortgaged Property affected by any Hazardous Materials Contamination, (iii) there is no past, present, or threatened action, proceeding or investigation by any governmental authority or agency related to any suspected or actual violation of any Environmental Law with respect to, or the presence of any Hazardous Material on, the Mortgaged Property, (iv) the Mortgaged Property and its current use and presently contemplated uses comply with all Environmental Laws, and all necessary permits, licenses, authorizations, and other consents and approvals have been obtained, and all necessary notices, publications, and filings have been made and given, with respect to the storage, use, and disposal of any Hazardous Materials in, on, or about the Mortgaged Property and (v) to the best of its knowledge, no Environmental Disclosure Statement, as described in Section 4(a) of the Illinois Responsible Property Transfer Act is required to be filed with respect to the Mortgaged Property.

(b) Mortgagor shall, and Mortgagor shall use its best efforts to cause all employees, agents, contractors, and tenants of Mortgagor and any other persons present on or occupying the Premises to, promptly comply with all Environmental Laws, including but not limited to, all health, fire and safety laws and to keep and maintain the Mortgaged Property, including the soil and ground water thereof, in compliance with, and not cause or permit the Mortgaged Property, including the soil and ground water thereof, to be in violation of any Environmental Laws. Neither Mortgagor nor any employees, agents, contractors, or tenants of Mortgagor or any other persons occupying or present on the Premises shall use, generate, manufacture, store or dispose on, under or about the Premises or transport to or from the Premises any Hazardous Materials in violation of Environmental Laws.

(c) Mortgagor immediately shall give Agent Notice in writing of: (i) any notices from any governmental or quasi-governmental agency or authority of violation or potential violation of any Environmental Law; (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any Environmental Law; (iii) all claims made or threatened by any third party against Mortgagor or the Mortgaged Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials; (iv) any leak, spills, other release or presence of any Hazardous Materials on the Mortgaged Property in violation of Environmental Laws or any Hazardous Materials Contamination

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with a full description thereof or of any violation of any Environmental Laws (the matters set forth in clauses (i), (ii), (iii) and (iv) above are hereafter referred to as "Hazardous Materials Claims"); and (v) discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Premises that could cause the Premises to become contaminated by or with Hazardous Materials. Agent and each Lender shall have the right but not the obligation, at its expense, to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims.

(d) Mortgagor shall, and Mortgagor shall use its best efforts to cause all employees, agents, contractors and tenants of Mortgagor and any other persons present on or occupying the Premises to, promptly comply with any Laws requiring the removal, treatment or disposal of such Hazardous Materials or Hazardous Materials Contamination to the extent required to comply with such Environmental Laws and provide Agent with satisfactory evidence of such compliance.

(e) Mortgagor shall be solely responsible for, and shall indemnify, defend, and hold harmless Agent and each Lender, any participant in the Loan, and any financial institution that is an assignee of all or a portion of Agent's interest, Lender's interest or such participant's interest in the Loan, and their respective directors, officers, employees and agents (the "Indemnified Parties"), but no other person or entity, from and against, any loss, damage, cost, expense or liability of whatever kind or nature, known or unknown, contingent or otherwise, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence (whether prior to or after the date of this Mortgage) of Hazardous Materials on, in, under or about the Mortgaged Property (whether by Mortgagor, a predecessor in title, any tenant, or any employees, agents, contractor or subcontractors of any of the foregoing or any third persons at any time occupying or present on the Premises), including, without limitation: (i) personal injury; (ii) death; (iii) damage to Mortgaged Property; (iv) the cost of any repair, cleanup or detoxification of the Mortgaged Property required to comply with Environmental Laws, to the extent required by such Environmental Law, including the soil and ground water thereof, and the preparation and implementation of any closure, remedial or other required plans; (v) damage to any natural resources; and (vi) all costs and expenses incurred by and Indemnified Party in connection with the foregoing clauses (i) through (vi), including but not limited to reasonable out-of-pocket attorneys' and consultants' fees; provided, however, that nothing contained in this Section 3.16 shall be deemed to preclude Mortgagor from seeking indemnification from, or otherwise proceeding against, any third party including, without limitation, any tenant or predecessor in title to the Mortgaged Property. The covenants, agreements, and indemnities set forth in this Section shall be binding upon Mortgagor and its heirs, successors and assigns, and shall survive each of repayment of the Obligations, foreclosure of the Mortgaged Property, and Mortgagor granting a deed in lieu of foreclosure of the Mortgaged Property; provided, however, the covenants, agreements, and indemnities set forth in this Section shall not be binding upon Mortgagor, its heirs, successors and assigns with respect to any introduction of Hazardous Materials onto the Premises which occurs subsequent to the date a receiver is appointed or the date the Agent, a Lender, a designee of any of the foregoing or any other purchaser has taken title to the Premises by foreclosure or deed-in-lieu of foreclosure. Any costs or

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expenses incurred by Agent or any Lender for which Mortgagor is responsible or for which Mortgagor has indemnified such party shall be paid to such party within ten (10) days of written demand, with interest at the Involuntary Rate from the date which is ten (10) days after such demand until paid in full, and shall be secured hereby. Without Agent's prior written consent, which shall not be unreasonably withheld or delayed, Mortgagor shall not enter into any settlement agreement, consent decree, or other compromise in respect of any Hazardous Material Claims. Any claim made by any Indemnified Party against Mortgagor must be made, if at all, on or before that date (the "Cut-Off Date") which is two (2) years after the earlier to occur of (x) payment in full of the Obligations, (y) foreclosure of this Mortgage or conveyance of the Mortgaged Property by deed in lieu of foreclosure or (z) appointment of a receiver for the Mortgaged Property.

(f) In the event Agent reasonably determines that an investigation of the Mortgaged Property for the presence of Hazardous Materials (an "Environmental Audit") is necessary, Mortgagor shall retain, upon Agent's request, or Agent may retain directly, at the sole cost and expense of Mortgagor, a licensed geologist, industrial hygienist or an environmental consultant (referred to hereinafter as the "Consultant") acceptable to Agent to conduct the Environmental Audit. Agent's determination to require an Environmental Audit shall be deemed reasonable only if an Event of Default shall have occurred and be continuing or in the event that Agent has received written notice of the likely existence of Hazardous Materials upon or in the Premises. The Environmental Audit shall be performed in a manner reasonably calculated to discover the presence of Hazardous Materials Contamination taking into consideration the known uses of the Premises and property in the vicinity of the Premises and any factors unique to the Premises. If Mortgagor shall fail to pay for or obtain an Environmental Audit as provided for herein, Agent may, but shall not be obligated to, obtain the Environmental Audit, and Mortgagor within ten (10) days after demand shall repay all costs and expenses incurred by Agent in connection therewith, with interest at the Involuntary Rate from tenth (10th) day after demand for such payment until paid in full, and such sums so advanced or expended, with interest as aforesaid, shall be secured hereby.

(g) Mortgagor shall cooperate with the Consultant and allow entry and access to all portions of the Mortgaged Property for the purpose of Consultant's investigation. Mortgagor shall comply, at its sole cost and expense, with all recommendations contained in the Environmental Audit reasonably required to bring the Mortgaged Property into compliance with all Environmental Laws and any reasonable recommendation for additional testing and studies to detect the quantity and types of Hazardous Materials present, if Agent requires the implementation of the same.

Section 3.17 Leases and Contracts

(a) To further secure the Obligations, Mortgagor hereby sells, assigns and transfers unto Agent, as agent for Lenders, all Leases for or with respect to the Premises and all the Rents now due and which may hereafter become due (whether before or after foreclosure or during the period of redemption and whether before or after the filing of any period of redemption and whether before or after the filing of any petition by or against Mortgagor under the Bankruptcy Code, 11 U.S.C. Section 11.01 *et seq.*, or any other federal or state bankruptcy, insolvency, receivership

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or similar law) under or by virtue of, and to the extent payable pursuant to, any Lease whether written or verbal, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by Agent under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such Leases and all the Rents and other avails thereunder to Agent. Mortgagor, from and during the occurrence of an Event of Default hereby irrevocable appoints Agent (which appointment is irrevocable until termination of this Mortgage and coupled with an interest) its true and lawful attorney in its name and stead (with or without taking possession of the Premises as provided below) to rent, lease or let all or any portion of the Premises to any party or parties at such rental and upon such terms as Agent shall, in its discretion, determine and to collect all of said avails, rents, issues and profits arising from or accruing at anytime hereafter, and all now due or that may hereafter become due under each and every of the Leases, written or verbal, or any other tenancy existing, or which may hereafter exist on the Premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Agent would have upon taking possession pursuant to the provisions of Section 4.02 below.

Nothing herein contained shall be construed as constituting Agent or any Lender a mortgagee in possession of the Premises in the absence of the taking of actual possession of the Premises by Agent pursuant to Section 4.02 below.

In the exercise of the powers herein granted Agent and Lenders, no liability shall be asserted or enforced against Agent or any Lender, all such liability being expressly waived and released by Mortgagor, except for such liability, if any, as may be expressly imposed on Agent or Lenders under the Illinois Mortgage Foreclosure Law.

Although it is intention of the parties that the assignment contained in this Section 3.17(a) shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Agent shall not exercise any of the rights or powers conferred upon it by this Section until an Event of Default occurs. The rights of Agent and Lenders under this Section 3.17(a) shall continue and remain in full force both before and after commencement of any action or proceeding to foreclose this Mortgage, after the foreclosure sale in connection with the foreclosure of this Mortgage, and until expiration of the period of redemption from any such foreclosure sale.

Mortgagor further agrees to assign and transfer to Agent all future Leases upon all or any part of the Premises and to execute and deliver, at the request of Agent, all such further assurances and assignments in the Premises as Agent shall from time to time reasonably require."

(b) Mortgagor shall not, without the prior written consent of Agent, (i) enter into any Lease after the date hereof, (ii) modify, extend or terminate any existing Lease with Med Partners or Tenneco (the "Prime Tenants") under any circumstances or (iii) terminate the Leases of any other tenants except where commercially reasonable as a result of uncured material defaults by the tenants under their respective Leases; provided, however, that so long as no Event of Default then exists any

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new Lease (including any extension or expansion of an existing Lease) covering less than ten thousand (10,000) square feet of gross leasable area of the Improvements ("GLA") at the Premises shall not require the prior written consent of Agent if (A) Agent shall have approved in writing the creditworthiness of the prospective tenant and (B) such Lease (or extension or expansion of an existing Lease) (1) meets all of the leasing guidelines set forth in Exhibit C hereto (the "Leasing Guidelines") and (2) does not contain material deviations from the standard form of lease agreement to be used for Leases, which standard form is subject to Agent's prior approval, which approval shall not be unreasonably withheld or delayed (such standard lease form, as approved by Agent, being called the "Standard Lease Form"). In determining whether an extension or expansion of an existing Lease falls below the 10,000 square feet of GLA approval threshold, the GLA of the space covered by the existing Lease (plus the GLA of the expansion space, as the case may be) shall be counted. It is expressly understood that any Lease (including any extension or expansion of an existing Lease) (w) with a tenant the creditworthiness of which has not been approved in writing by Agent, (x) which covers 10,000 or more square feet of GLA, (y) which does not meet all of the Leasing Guidelines, or (z) which contains material deviations from the Standard Lease Form, shall require Agent's prior written approval, which approval shall not be unreasonably withheld or delayed. Agent shall use reasonable diligence to respond promptly to any request for approval of a Lease and shall endeavor to respond within ten (10) business days after receipt of the proposed final version of such Lease and such financial information relating to the proposed tenant as may be reasonably requested by Agent. If requested by Mortgagor, Agent shall review lease proposals for prospective tenants and promptly notify the Mortgagor whether it approves such lease proposal and such tenant, which approvals shall not be unreasonably withheld or delayed. Agent shall use reasonable diligence to respond to any such request for approval of a lease proposal for a prospective tenant and shall endeavor to respond within ten (10) business days after receipt of a proposal containing a description of the material business terms of the proposed Lease and such financial information relating to the proposed tenant as may be reasonably requested by Agent. If Agent shall approve a lease proposal for a particular tenant, Agent may only disapprove the proposed final version of the Lease if there are material deviations from the approved lease proposal or the Standard Lease Form.

(c) Subject to the terms of the Lockbox Agreement and the Credit Agreement, each of which shall prevail over this paragraph (c), until the occurrence of an Event of Default Mortgagor shall be entitled to receive and retain for its own account all Rents and to exercise all other rights and remedies available to it under all Leases. Such right of Mortgagor to receive said rents, issues and profits may be revoked by the Agent upon the occurrence of an Event of Default by giving no less than five (5) days' written notice of such revocation, served personally upon or sent by registered or certified mail to the record owner of the Property.

(d) All Rents shall be collected in accordance with the terms of the Lockbox Agreement and applied in accordance with the terms of the Lockbox Agreement and Credit Agreement.

(e) Mortgagor, at its sole cost and expense, will use its best efforts to enforce or secure, or cause to be enforced or secured, the performance of each and every obligation and

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undertaking of the respective tenants under any Leases and will appear in and defend, at its sole cost and expense, any action or proceeding arising under, or in any manner connected with, such Leases.

(f) Mortgagor will not assign the whole or any part of the Leases or Rents without Agent's written consent, and any assignment without such written consent shall be null and void.

(g) Mortgagor will promptly perform all of its obligations under all Leases. Mortgagor will not, without the prior written consent of Agent, (i) accept any prepayment of rent for more than one (1) month in advance under any Lease, or (ii) permit a Lien on the Mortgaged Property superior to any Lease, other than the lien of this Mortgage.

(h) All Leases executed after the date hereof must by their express terms be subordinate to this Mortgage, and shall expressly provide and be subject to the condition (and this Mortgage so authorizes) that, in the event of any sale of the Mortgaged Property pursuant to the provisions of Section 4.02, the Leases shall either (i) continue in full force and effect and the tenant or tenants thereunder will, upon request, attorn to and acknowledge in writing the purchaser or purchasers at any judicial sale or sales as landlord thereunder, or (ii) upon written notice to such effect from Agent or any purchaser or purchasers, terminate within ninety (90) days from the date of judicial sale subject to the terms of any applicable, validly existing nondisturbance agreement with respect to such Lease. Agent shall use reasonable diligence to respond to a request by Mortgagor for a non-disturbance agreement with respect to any Lease and shall not unreasonably withhold its approval to such an agreement provided that (i) such agreement is in form and substance acceptable to Agent and (ii) the creditworthiness of the tenant under such Lease has been approved by Agent. As to any Lease, neither Agent, any Lender nor any purchaser at judicial foreclosure shall be bound by any payment of rent for more than one (1) month in advance without the prior written consent of Agent or by any amendment or modification of the Lease made without the prior written consent of Agent (in cases where such consent is required) or, subsequent to a foreclosure sale, such purchaser.

(i) Neither Agent nor any Lender shall be obligated to perform or discharge any obligation of Mortgagor under any Lease. This assignment of the Leases in no manner places on Agent or any Lender any responsibility for (i) the control, care, management or repair of the Mortgaged Property, (ii) the carrying out of any of the terms and conditions of the Leases, (iii) any waste committed on the Mortgaged Property, or (iv) any dangerous or defective condition on the Mortgaged Property (whether known or unknown), unless same results from the gross negligence or willful misconduct of Agent or any of its employees, agents or contractors. Mortgagor agrees to indemnify Agent and each Lender for, and forever hold them harmless from, any and all Claims arising out of, or in connection with, any Leases or any assignment thereof, other than any Claims arising out of Agent's or such Lender's gross negligence or willful misconduct.

(j) To the best of Mortgagor's knowledge and belief, no tenant in the Mortgaged Property is in default under its Lease (and no event has occurred which with the passage of time would result in a default under its Lease), or is the subject of any bankruptcy, insolvency or similar proceeding.

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(k) Mortgagor further represents and warrants to Agent and Lenders, as follows:

1. Mortgagor has delivered to Agent a true copy of the April 25, 1997 Rent Roll which is correct in all material respects (the "Rent Roll") and true and complete copies of all existing Leases and any amendments thereto which are in the possession of Mortgagor or its agents.
2. The Leases listed on the Rent Roll are all in full force and effect.
3. As of the date hereof no installment of rent due under any Lease has been paid in advance of its due date.
4. There are no actions pending against Mortgagor under the existing Leases which are not covered by insurance and there are no actions by Mortgagor pending against any tenant under any existing Lease.
5. Any payments, credits, allowances or abatements required to be made or given by Mortgagor to any tenant under any Lease have been made or given by Mortgagor except any which are not yet due.

Section 3.18 Inspection. Mortgagor shall permit Agent, or any Person authorized by Agent, to enter and make inspections of the Mortgaged Property at all reasonable times during normal business hours and as often as may be requested by Agent, upon 48 hours prior notice.

Section 3.19 Reimbursement; Interest. If Agent or any Lender shall incur any Expenses or pay any Claims to which Agent or such Lender become a party by reason of this Mortgage or the rights and remedies provided hereunder (regardless of whether this Mortgage expressly provides for an indemnification against such Claims by Mortgagor), such Expenses and Claims shall be (a) paid by Mortgagor to Agent within ten (10) days of demand, together with interest thereon from such tenth (10th) day until paid in full by Mortgagor at the Involuntary Rate, and (b) a part of the Obligations secured by this Mortgage. Notwithstanding the foregoing, however, in any action or proceeding to foreclose this Mortgage or to recover or collect the Obligations, the provisions of Law governing the recovery of costs, disbursements and allowances shall prevail unaffected by this Section. Whenever this Mortgage provides for interest to be paid at the Involuntary Rate, the Involuntary Rate shall be calculated on the basis of a 360-day year and actual days elapsed.

Section 3.20 No Default. Mortgagor represents and warrants to Agent and Lenders that as of the date hereof, Mortgagor has performed and complied with all Obligations on its part contained in the Credit Documents and there exists no condition or event which would constitute a Default or Event of Default thereunder.

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Section 3.21 No Bankruptcy. Mortgagor represents and warrants to Agent and Lenders that as of the date hereof, no petition in bankruptcy, whether voluntary or otherwise, or assignment for the benefit of creditors or any petition for reorganization or arrangement under the laws of any state or under the United States Bankruptcy Code, or any other action brought under the aforesaid bankruptcy laws, is pending against Mortgagor.

Section 3.22 No Adverse Change. Mortgagor represents and warrants to Agent and Lenders that as of the date hereof there has been no material adverse change in the financial condition of Mortgagor from that reflected on the financial information most recently provided to Agent. Neither the incurring of the Obligations nor the grants, conveyances, assignments and transfers of the Mortgaged Property to Agent, as agent for Lenders, pursuant to the Credit Documents will render Mortgagor insolvent.

Section 3.23 No Moratorium. Mortgagor represents and warrants to Agent and Lenders that to Mortgagor's best knowledge without investigation, as of the date hereof no moratorium or similar action by any governmental or quasi-governmental agency or authority which could interfere in any way with the present or intended uses of the Mortgaged Property.

Section 3.24 Property Assessments. Mortgagor represents and warrants to Agent and Lenders that the Premises is assessed for purposes of Property Assessments as a separate and distinct parcel from any other property, such that the Premises shall never become subject to the Lien of any Property Assessments levied or assessed against any property other than the Premises.

Section 3.25 Property Assessments; Insurance; Escrow.

(a) Unless an escrow account for payment of Property Assessments is created pursuant to subsection (c) below, and subject to Section 3.03 hereof and to Section 6 of the Credit Agreement, Mortgagor shall (i) promptly pay in full and discharge all Property Assessments, and (ii) exhibit to Agent, upon demand, the receipted bills for such Property Assessments within thirty (30) days after payment thereof.

(b) In the event of the passage of any Law subsequent to the date of this Mortgage in any manner changing or modifying the Laws now in force governing the taxation of mortgages or debts secured by mortgages or the manner of collecting any such taxes so as to adversely affect Agent or any Lender (including, without limitation, a requirement that internal revenue stamps be affixed to this Mortgage or any of the other Credit Documents), Mortgagor shall promptly pay any such taxes as they become due and payable. If Mortgagor fails to make such prompt payment, or if any Law prohibits Mortgagor from making such payment or would penalize Agent or any Lender if Mortgagor makes such payment, then the entire unpaid balance of the Obligations shall, without Notice, become due and payable at the option of Agent upon the expiration of ninety (90) days from the date thereof. In no event, however, shall any income taxes of Agent or any Lender or franchise taxes of Agent or any Lender measured by income, or taxes in lieu of such income taxes or franchise taxes, be required to be paid by Mortgagor.

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(c) At Agent's option, upon the occurrence of a monetary Event of Default, Mortgagor shall pay to Agent monthly, on any date selected by Agent, such amount as Agent from time to time estimates will generate sufficient funds to pay all Property Assessments and premiums for the insurance required by Section 3.07 prior to the date such Property Assessments or insurance premiums next become due. Agent's estimates shall be based on the amounts actually payable or, if unknown, on the amounts actually paid for the year preceding that for which such payments are being made. Any deficiencies shall be promptly paid by Mortgagor to Agent on demand. Mortgagor shall transmit bills for the Property Assessments and insurance premiums to Agent as soon as received. When Agent has received from Mortgagor, or on its account, funds sufficient to pay the same (including any interest earned on the funds), Agent shall pay such bills. If from time to time funds are accumulated under the terms of this Section (including any interest earned on the funds) in excess of the amount needed to pay the Property Assessments and such insurance premiums, Mortgagor at least annually shall be given the option of (i) receiving a refund of the excess funds, (ii) applying the excess funds to the payment of the Obligations (provided prepayment is then permitted without penalty pursuant to the Note), or (iii) permitting the excess funds to remain in the escrow account established pursuant to this Section.

Section 3.26 Independence of the Premises. No building or other improvements on property not covered by this Mortgage rely on the Premises or any interest therein to fulfill any requirement of any Governmental Authority for the existence of such property, building or improvements; and none of the Premises relies, or will rely, on any property not covered by this Mortgage or any interest therein to fulfill any requirement of any Governmental Authority.

Section 3.27 Security Agreement. This Mortgage creates a security interest in the Personalty, and, to the extent the Personalty or any of the Mortgaged Property is not real property, this Mortgage constitutes a security agreement from Mortgagor to Agent, as agent for Lenders, under the Uniform Commercial Code of the State. Mortgagor hereby agrees to execute and deliver on demand, and hereby irrevocably constitutes and appoints Agent the attorney-in-fact of Mortgagor, to execute, deliver and, if appropriate, to file with the appropriate filing office or offices, such financing statements or other instruments as Agent may request or require in order to perfect the security interest granted hereby or to continue the effectiveness of the same. In addition to any other rights and remedies of Agent hereunder, Agent, as agent for Lenders, shall have all the rights of a secured party under the Uniform Commercial Code of the State. Agent, as agent for Lenders, shall not in the exercise of the foregoing power of attorney create any personal liability on the part of Mortgagor.

Section 3.28 Restrictive Covenants, Zoning, etc. Without the prior written consent of Agent, Mortgagor shall not initiate, join in, or consent to any change in, any restrictive covenant, easement, zoning ordinance, or other public or private restrictions, limiting or defining the uses which may be made of the Mortgaged Property. Mortgagor shall (a) promptly perform and observe, and cause to be performed and observed, all of the terms and conditions of all agreements affecting the Mortgaged Property, and (b) do or cause to be done all things necessary to preserve intact and

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unimpaired any and all easements, appurtenances and other interests and rights in favor of, or constituting any portion of, the Mortgaged Property.

Section 3.29 Intentionally Omitted.

Section 3.30 Intentionally Omitted.

Section 3.31 Encumbrances. Without the prior written consent of Agent, Mortgagor will not permit the Premises or the Personalty, or the Leases and Rents, to become subject to any Encumbrances other than the Permitted Encumbrances. Mortgagor shall promptly give Agent written Notice of any default under any Lien and written Notice of any foreclosure or threat of foreclosure. Notwithstanding anything in this Mortgage to the contrary, Mortgagor shall have the right to contest any Lien or claim of Lien so long as Mortgagor shall (i) have bonded the claim so as to bar enforcement of such claim out of the Mortgaged Property, (ii) have furnished such security as may be required in the proceeding, such proceeding suspends the collection of the lien or claim out of the Mortgaged Property and Mortgagor has set aside adequate reserves in order to pay such claim, together with any interest or penalties payable with respect thereto, or (iii) have delivered such security as may be required by title insurer insuring the lien of this Mortgage on the date hereof to cause such title insurer to defend and insure over such claim.

ARTICLE IV

DEFAULT

Section 4.01 Events of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" under this Mortgage:

(a) **Inaccurate Information.** Any information contained in any financial statement, schedule, report or any other document delivered by or on behalf of Mortgagor to Agent or any Lender in connection with the Loan proves to have been incorrect in any material respect when made; Mortgagor shall have failed to state any material fact or any fact necessary to make such information not misleading; or any representation or warranty contained in this Mortgage, or in any other document, certificate or opinion delivered by or on behalf of Mortgagor to Agent or any Lender in connection with the Loan, proves to have been incorrect or misleading in any material respect when made.

(b) **Payment Obligations.** Mortgagor fails to pay any amounts to Agent under this Mortgage or any of the other Credit Documents, and the continuation of such failure for five (5) days or more, provided that in the case of the first such failure within any twelve (12) month period no Event of Default shall exist unless such failure continues for five (5) days after the giving by Agent of oral or written notice to Mortgagor.

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(c) Transfer of the Mortgaged Property; Encumbrances. Mortgagor fails to comply with Sections 3.03, 3.11 or 3.31 hereof, unless (in the case only of Encumbrances created without action, consent or approval of Mortgagor) Mortgagor is diligently contesting the validity of any Lien or Encumbrance in accordance with the provisions of this Mortgage.

(d) Insurance Obligations. Mortgagor fails to timely perform or comply with any of the terms and conditions set forth in Section 3.07 hereof, and such failure continues for ten (10) days after written notice to Mortgagor.

(e) Intentionally deleted.

(f) Other Obligations. Mortgagor fails to promptly perform or comply with any of the Obligations (other than those of a nature expressly described in paragraphs (a) through (e) or (g) through (p) of this Section 4.01 hereof), and such failure continues uncured for a period of twenty (20) days after written Notice from Agent to Mortgagor (unless such failure cannot by its nature reasonably be remedied within such twenty (20) day period, in which case no Event of Default shall exist so long as Mortgagor promptly commences to remedy the same within such twenty (20) day period, thereafter at all times diligently and continuously prosecutes the same to completion and in any event remedies the failure within forty (40) days after the aforesaid written notice from Agent).

(g) Intentionally deleted.

(h) Event of Default Under Other Credit Documents. There occurs under any Credit Document an Event of Default (as defined in such Credit Document) other than this Mortgage.

(i) Default Under Other Lien Documents. A default occurs (and continues beyond any applicable written notice and cure periods) under any other mortgage, deed of trust or security agreement covering all or any portion of the Mortgaged Property, including, without limitation, any Permitted Encumbrances (provided that the foregoing shall not be deemed to be a consent to the placing of any other Liens on the Premises).

(j) Voluntary Bankruptcy, etc. Mortgagor (i) applies for, or consents in writing to, the appointment of a receiver, trustee or liquidator of Mortgagor or of the Mortgaged Property or of all or substantially all of Mortgagor's other assets, or (ii) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they become due, or (iii) makes a general assignment for the benefit of creditors, or (iv) files a petition or an answer seeking a reorganization or an arrangement with creditors or takes advantage of any bankruptcy or insolvency law, or (v) files an answer admitting the material allegations of a petition filed against Mortgagor in any bankruptcy, reorganization or insolvency proceeding.

(k) Involuntary Bankruptcy, etc. An order, judgment or decree is entered by any court of competent jurisdiction on the application of a creditor adjudicating Mortgagor as bankrupt

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or insolvent, or appointing a receiver, trustee or liquidator of Mortgagor of the Mortgaged Property, or of all or substantially all other assets of Mortgagor, and such order, judgment or decree continues unstayed and in effect for a period of ninety (90) days from the date entered.

(l) Execution; Attachment. Any execution or attachment is levied against the Mortgaged Property, and such execution or attachment is not set aside, discharged or stayed within ninety (90) days after the same is levied.

(m) Judgment. Unless adequately covered (in the opinion of Agent) by insurance, the entry of a final judgment for the payment of money against Mortgagor and involving more than \$100,000.00 and the failure by Mortgagor to discharge the same, or cause it to be discharged, or bonded off to Agent's satisfaction, within sixty (60) days from the date of the order, decree or process under which or pursuant to which such judgment was entered.

(n) Change in Business Status. Unless the written consent of Agent is previously obtained, the sale of all or substantially all of the business assets of Mortgagor or the commencement of any proceeding to dissolve or liquidate Mortgagor, or the occurrence of any change in the form of business entity through which Mortgagor presently conducts its business, or the occurrence of any merger or consolidation involving Mortgagor.

(o) Default Under Other Indebtedness. Mortgagor fails to pay any of its indebtedness (other than the Loan) when and as due and payable (whether by acceleration or otherwise) if such failure to pay may, as reasonably determined by Agent, materially and adversely affect the Mortgaged Property, Mortgagor's interest therein, or the ability of Mortgagor to perform its obligations under the Credit Documents executed by it.

(p) Dissolution of Mortgagor, etc. Without Agent's prior written consent thereto, Mortgagor is dissolved either pursuant to the provisions of its organizational documents, by operation of law, or in any other manner, voluntarily or otherwise.

Section 4.02 Rights and Remedies. Subject to the provisions of the Illinois Mortgage Foreclosure Law, upon the occurrence of any Event of Default, Agent, as agent for Lenders, may at any time thereafter, without further written notice to or demand upon Mortgagor or any other party having any interest in the Mortgaged Property, and without regard to the value of the Mortgaged Property or the solvency of any person who may be liable for the payment of such indebtedness, at its option and whether or not electing to declare the whole indebtedness due and payable, do any or all of the following:

(a) Agent may declare (without written Notice to Mortgagor and without presentment, demand, protest or written notice of protest or of dishonor, all of which Mortgagor hereby waives) the Obligations to be immediately due and payable and to foreclose the lien of the Mortgage by judicial action.

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(b) In any suit to foreclose the lien hereof or in any other action to enforce any other remedy of Agent or Lenders under this Mortgage or with respect to any of the other Obligations, there shall be allowed and included as additional indebtedness in the decree for sale, judgment of foreclosure or other judgment or decree all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Agent or Lenders for attorneys, appraisers, consultants and contractors, outlays related to compliance with Environmental Laws, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurances with respect to title and value as Agent or any Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale pursuant to such decree the true condition of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature in this Section mentioned and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including but not limited to the fees of any attorney employed by Agent or any Lender in any litigation or proceeding affecting this Mortgage, the Obligations or the Mortgaged Property, including, without limitation, bankruptcy proceedings, or in the preparation for the commencement or defense of any proceeding or threatened suit or proceeding shall be immediately due and payable by Mortgagor, with interest thereon from the date incurred at the Involuntary Rate, and shall be secured by this Mortgage.

Without limitation on the foregoing, all advances, disbursements and expenditures made by Agent or any Lender before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Illinois Mortgage Foreclosure Act, 735 ILCS 5/15-1101 *et seq.* ("Act"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to (collectively, "Protective Advances"):

(i) all advances by Agent or any Lender in accordance with the terms of this Mortgage to: (A) preserve or maintain, repair, restore or rebuild the Improvements; (B) preserve the lien of this Mortgage or the priority thereof; or (C) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 15-1302 of the Act;

(ii) payments by Agent or any Lender of: (A) when due installments of principal, interest or other in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (B) when due installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Premises or any part thereof; (C) other obligations authorized by this

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Mortgage; or (C) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the statue of title, as referred to in Section 15-1505 of the Act;

(iii) advances by Agent or any Lender in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(iv) attorney's fees and other expenses incurred: (A) in connection with the foreclosure of this Mortgage as referred to in Sections 15-1504(d)(2) and 15-1510 of the Act; (B) in connection with any action, suit or proceeding brought by or against Agent or any Lender for the enforcement of this Mortgage or arising from the interest of the Agent or any Lender hereunder; or (C) in the preparation for the commencement or defense of any such foreclosure or other action;

(v) the fees and costs of Agent and Lenders, including attorneys' fees, arising between the entry of judgment of foreclosure and confirmation hearing as referred to in Subsection (b)(1) of Section 15-1508 of the Act;

(vi) expenses deductible from proceeds of sale as referred to in subsections (a) and (b) of Section 15-1512 of the Act;

(vii) expenses incurred and expenditures made by Agent or any Lender for any one or more of the following: (A) if all or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof; (B) if any interest in the Premises is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (C) premiums for casualty and liability insurance paid by Agent or any Lender whether or not Agent or such Lender or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the Premises imposed by subsection (c)(1) of Section 15-1704 of the Act; (D) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (E) payments required or deemed by Agent or any Lender to be for the benefit of the Premises or required to be made by the owner of the Premises under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Premises; (F) shared or common expense assessments payable to any association or corporation in which the owner of the Premises is a

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member if any way affecting the Premises; (G) if the loan secured hereby is a construction loan, costs incurred by Agent or any Lender for demolition, preparation for and completion of construction, as may be authorized by the Credit Agreement; and (H) pursuant to any lease or other agreement for occupancy of the Premises.

All Protective Advances shall be so much addition indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the Involuntary Rate. This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to subsection (b)(1) of Section 15-1302 of the Act. All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in: (i) determination of the amount of indebtedness secured by this Mortgage at any time; (ii) the indebtedness found due and owing to the Agent and Lenders in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose; (iii) if right of redemption is deemed not to be waived by this Mortgage, computation of amount required to redeem, pursuant to subsections (d)(2) and (e) of Section 15-1603 of the Act; (iv) determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act; (v) application of income in the hands of any receiver or Agent, as agent for Lenders, in possession; and (vi) computation of any deficiency judgment pursuant to subsections (b)(2) and (e) of Sections 15-1508 and Section 15-1514 of the Act.

(c) Agent shall have all the remedies of a secured party under the Uniform Commercial Code of the State of Illinois, including, without limitation, the right and power to sell, or otherwise dispose of, the Personalty, or any part thereof, and for that purpose may take immediate and exclusive possession of the Personalty, or any part thereof, and with or without judicial process, enter upon the Premises or any other Mortgaged Property on which Personalty, or any part thereof, may be situated and remove the same therefrom without being deemed guilty of trespass and without liability for damages thereby occasioned; or, at Agent's option upon demand, Mortgagor shall assemble the Personalty and make it available to Agent at the place and at the time designated in the demand.

(d) Agent shall be entitled to hold, maintain, preserve and prepare the Personalty for sale. Agent without removal, may render the Personalty unusable and dispose of the Personalty on the Premises. To the extent permitted by law, Mortgagor expressly waives any written notice of sale or other disposition of the Personalty and the exercise of any other right or remedy of Agent or Lender existing after the occurrence of an Event of Default hereunder. To the extent any such written notice is required and cannot be waived, Mortgagor agrees that such written notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said written notice if such

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written notice is mailed, postage prepaid, to Mortgagor at the above address at least five (5) business days before the time of the sale or other disposition.

(e) Agent shall be entitled to:

(i) proceed by suit or suits at law or in equity or by any other appropriate remedy to protect and enforce the rights of Agent and Lenders whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or to foreclose this Mortgage, or to sell, as an entirety or in several parcels, the Premises or Personalty under the judgment or decree of a court or courts of competent jurisdiction, or otherwise. Mortgagor, in accordance with general or local laws or rules or regulations of the State of Illinois relating to mortgages and deeds of trust, including any amendments thereof or supplements thereto which do not materially change or impair the remedy, does hereby declare and assent to the passage of a decree to sell the Premises by the equity court having jurisdiction for the sale thereof, and the party appointed by such decree of court shall have, subject to the terms of the decree of court, the same authority and power to sell on the terms and conditions herein set forth. This assent to decree shall not be exhausted in the event the proceeding is dismissed before all the Obligations and all other charges, costs, interests and expenses due hereunder and under the Credit Documents are paid in full;

(ii) take such steps to protect and enforce the rights of Agent and Lenders whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Indemnity Agreement, this Mortgage or the other Credit Documents, or in aid of the execution of any power herein or therein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy as Agent shall elect.

(f) Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed shall, if requested to do so by Agent, appoint a receiver of the Mortgaged Property. To the extent permitted by law, Agent shall also be entitled to the appointment of a receiver of the Mortgaged Property prior to the filing of any such foreclosure complaint, upon or at any time after the occurrence of an Event of Default. Any appointment of a receiver may be made either before or after sale, without notice if permitted by law, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Mortgaged Property, and Agent hereunder may be appointed as such receiver. Such receiver shall have power: (a) to collect the rents, issues and profits of the Mortgaged Property during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits; (b) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and

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the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from any judgment or decree of foreclosure, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and (c) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part to: (x) the Obligations or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to any foreclosure sale; and (y) the deficiency in case of a sale and deficiency.

(g) In any case in which under the provisions of this Mortgage, Agent or any Lenders has a right to foreclose the lien hereof, Mortgagor shall, forthwith, upon demand by Agent, surrender to Agent, and Agent shall be entitled, to the fullest extent permitted by law, to take actual possession of, the Mortgaged Property or any part thereof personally or by its agents or attorneys. In such event, Agent in its discretion may, in accordance with law, enter upon and take and maintain possession of all or any part of the Mortgaged Property together with all documents, books, records, papers and accruals of Mortgagor or the then owner of the Mortgaged Property relating thereto and may exclude Mortgagor its agents or servants wholly therefrom and may, as attorney-in-fact, as agent for Mortgagor or in its own name as agent for Lenders, and under the powers herein granted, hold, operate, manage and control the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Mortgaged Property, including actions for the recovery of Rents, actions in forcible detainer and actions in distress for rent, and with full power: (a) to cancel the same (b) subject to the terms of any subordination, non-disturbance and attornment agreement agreed to any Agent, to elect to disaffirm any Lease which is then subordinate to the lien hereof. (c) to extend or modify any then existing Leases and to make new Leases, which extensions, modifications and new Leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Property as to it may seem judicious; (e) to insure and reinsure the same and all risks incidental to Agent's possession, operation and management thereof, and (f) to receive all of such avails, rents, issues and profits; Mortgagor hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted

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at any and all times hereafter, without notice to Mortgagor. Without limitation on the foregoing, in addition to any rights granted Agent or Lenders hereunder or under applicable law, Agent shall have all powers, rights and duties as provided for in Sections 15-1701, 15-1702 and 15-1703 of the Act.

From and after an Event of Default, Mortgagor shall be deemed to have constituted and appointed Agent its true and lawful attorney-in-fact (which appointment is irrevocable until termination of this Mortgage and coupled with an interest) with full power of substitution either in the name of Agent or Mortgagor, to exercise any of the powers granted to Agent pursuant to this Section 4.02(g). Agent shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any Leases. Mortgagor shall and does hereby agree to indemnify and hold Agent and each Lender harmless of and from any and all liability, loss or damage which may be caused by the willful misconduct or gross negligence of Agent or such Lender) which Agent may or might incur by reason of its performance of any action authorized under this Section 4.02(g) and of and from any and all claims and demands whatsoever (except for any such liability, loss or damage which may be caused by the willful misconduct or gross negligence of Agent) which may be asserted against Agent by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements of Mortgage.

(h) Mortgagor in connection with the exercise of any remedy herein granted to Agent and Lenders, does hereby agree that Agent may exercise its rights pursuant to any assignment of licenses or permits to cause the transfer of any licenses or permits included within the definition of Personalty herein, and to the extent there are any individuals or corporations or partnerships other than Mortgagor who are licensees or permittees under any such licenses or permits, Mortgagor shall cause each such individual or corporation or partnership specifically to assent to the passage of a decree for transfer of such licenses or permits and to evidence their assent by written instrument satisfactory to Agent.

Section 4.03 Sale of the Mortgaged Property

(a) The purchase money, proceeds or avails of any sale made under or by virtue of this Section, together with any other sums which then may be held by Agent under this Mortgage, whether under the provisions of this Section or otherwise shall be applied as follows:

FIRST: To the payment of the costs and expenses of such sale including reasonable compensation to Agent, Lenders and their agents and counsel, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Agent and Lenders under this Mortgage or any of the Credit Documents, together with interest at the Involuntary Rate, and all Property Assessments, except any Property Assessments or other charges subject to which the Premises shall have been sold

SECOND: To the payment of the whole amount then due, owing or unpaid in respect of the Obligations arising under the Note, with any interest accrued thereon from the due date of any such amount until the same is paid.

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THIRD: To the payment of any other sums required to be paid by Mortgagor pursuant to any provisions of this Mortgage or the other Credit Documents.

FOURTH: The payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

(b) Upon any sale made under or by virtue of this Section, whether made under any power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Agent and any Lender may bid for and acquire the Premises, the Personalty, or any part thereof, and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness of Mortgagor secured by this Mortgage the net sales price after deducting therefrom the expenses of the sale and the cost of the action and any other sums which Agent or such Lender is authorized to deduct under this Mortgage. Agent or such Lender upon so acquiring the Premises, the Personalty, or any part thereof, shall be entitled to hold, lease, rent, operate, manage and sell the same in any manner provided by applicable laws.

Section 4.04 Waivers and Agreements Regarding Remedies. To the full extent Mortgagor may do so, Mortgagor hereby:

(a) agrees that it will not at any time plead, claim or take advantage of any Laws now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and waives and releases all rights of redemption, valuation, appraisal, stay of execution, extension and notice of election to accelerate the Obligations;

(b) waives all rights to a marshaling of the assets of Mortgagor, including without limitation, the Mortgaged Property, or to a sale in the inverse order of alienation in the event of a foreclosure of the Mortgaged Property, and agrees not to assert any right under any Law pertaining to the marshaling of assets, the sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatsoever to defeat, reduce or affect the right of Agent or Lenders under the terms of this Mortgage to a sale of the Mortgaged Property without any prior or different resort for collection, or the right of Agent or Lenders to the payment of the Obligations out of the proceeds of sale of the Mortgaged Property in preference to every other claimant whatsoever; and

(c) waives and relinquishes any and all rights and remedies which Mortgagor may have or be able to assert by reason of the provisions of any Laws pertaining to the rights and remedies of sureties.

Section 4.05 Remedies, etc. Cumulative. Each right, power and remedy of Agent or Lenders as provided for in this Mortgage, or in any of the other Credit Documents or now or hereafter existing by Law, shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Mortgage, or in any of the other Credit Documents or now or hereafter existing by Law, and the exercise or beginning of the exercise by Agent or any

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Lender of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by Agent or such Lender of any or all such other rights, powers or remedies.

Section 4.06 Set-off. Upon the occurrence of an Event of Default, Agent and each Lender may set off against and apply any funds of Mortgagor on deposit with, or under the control of, Agent or such Lender to the payment of the Obligations, without Notice and without resort to any judicial proceeding.

ARTICLE V

INTENTIONALLY DELETED

ARTICLE VI

INTENTIONALLY DELETED

ARTICLE VII

MISCELLANEOUS

Section 7.01 Time is of the Essence. Time is of the essence of each and every covenant, condition and provision of this Mortgage to be performed by Mortgagor.

Section 7.02 No Waiver by Agent, etc. No course of dealing or conduct between Agent or Lender and Mortgagor shall be effective to amend, modify or change any provisions of this Mortgage or the other Credit Documents. No failure or delay by Agent to insist upon the strict performance of any term, covenant or agreement of this Mortgage or of any of the other Credit Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, covenant or agreement or of any such breach, or preclude Agent from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any of the Obligations, Agent shall not be deemed to waive the right either to require prompt payment when due of all other Obligations, or to declare an Event of Default for failure to make prompt payment of any such other Obligations. Neither Mortgagor nor any other Person now or hereafter obligated for the payment of the whole or any part of the Obligations shall be relieved of such liability by reason of (a) the failure of Agent or a Lender to comply with any request of Mortgagor or of any other Person to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage, or (b) any agreement or stipulation between any

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subsequent owner or owners of the Mortgaged Property and Agent or any Lender, or (c) Agent or Lender extending the time of payment or modifying the terms of this Mortgage or any of the other Credit Documents without first having obtained the consent of Mortgagor or such other Person. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate Lien on the Mortgaged Property, Agent and Lenders may release any Person at any time liable for any of the Obligations or any part of the security for the Obligations, and may extend the time of payment or otherwise modify the terms of this Mortgage or any of the other Credit Documents without in any way impairing or affecting the Lien of this Mortgage or the priority of this Mortgage over any subordinate Lien. The holder of any subordinate Lien shall have no right to terminate any Lease regardless of whether or not such Lease is subordinate to this Mortgage. Agent may resort to the security or collateral described in this Mortgage or any of the other Credit Documents in such order and manner as Agent may elect in its sole discretion.

Section 7.03 Rules of Construction. The words "hereof," "herein," "hereunder," "hereto," and other words of similar import refer to this Mortgage in its entirety. The terms "agree" and "agreements" mean and include "covenant" and "covenants". The headings of this Mortgage are for convenience only and shall not define or limit the provisions hereof. All references (a) made in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (b) made in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, (c) to the Land, Improvements, Personalty, Premises or Mortgaged Property shall mean all or any portion of each of the foregoing, respectively, and (d) to Section numbers are to the respective Sections contained in this Mortgage unless expressly indicated otherwise. If Mortgagor is two (2) or more Persons, the term "Mortgagor" shall also refer to all of the Persons signing this Mortgage as a Mortgagor, and to each of them, and all of them are jointly and severally bound, obligated and liable hereunder. Agent may release, compromise, modify or settle with any of Mortgagor, in whole or in part, without impairing, lessening or affecting the obligations and liabilities of Mortgagor hereunder. Any of the acts mentioned aforesaid may be done without the approval or consent of, or notice to, Mortgagor. No provision of any of the Credit Documents shall be construed against Agent or Lenders by virtue of the fact that the Credit Documents were prepared by or on behalf of Agent and Lenders, whether or not any such Credit Document was reviewed by any legal counsel for the undersigned. Except where another standard is expressly provided by the provisions of this instrument (such as, by way of example, use of the word "reasonably"), all consents, approvals, elections, judgments, determinations and other actions permitted or required by Agent or Lenders (or any trustee or agent for Agent or Lenders) shall be made in their sole, absolute and unfettered discretion. Wherever the approval of Agent or any Lender (or any trustee or agent for Agent or Lenders) is required for any action by Mortgagor, such approval shall not be deemed effective unless given by Agent (or any such trustee or agent) in writing, unless expressly waived by Agent or Lenders, as the case may be, in writing.

Section 7.04 Power of Attorney. If Mortgagor shall fail to execute and deliver to Agent any document or instrument required to be executed and delivered by Mortgagor hereunder (including, without limitation, any Further Assurance Instrument or Estoppel Certificate) within the time required by this Mortgage, Agent may execute such document or instrument in the name of

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Mortgagor, deliver such document to any third party (with such third party being entitled to rely thereon) and file or record any such document, to the same effect as if such document had been executed, delivered and filed or recorded by Mortgagor. Mortgagor hereby authorizes Agent to so execute, file and record any such document. The foregoing shall not release Mortgagor from any of its obligations under this Mortgage.

Section 7.05 Severability. If fulfillment of any provision of this Mortgage or any transaction related hereto shall at any time involve transcending the limit of validity prescribed by Law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision herein contained, other than the provisions requiring Mortgagor to pay the Obligations, operates or would prospectively operate to invalidate this Mortgage in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect.

Section 7.06 Binding Effect; Assignment. All of the grants, covenants, terms, provisions and conditions of this Mortgage shall run with the land and shall apply to and bind the successors and assigns of Mortgagor (including any permitted subsequent owner of the Mortgaged Property), and inure to the benefit of Agent, Lenders and their respective successors and assigns. Agent shall have the sole right to exercise the rights of Lenders hereunder, as agent for Lenders. The rights of Lenders and Agent to assign any of their rights, obligations or interests shall be governed by the Intercreditor Agreement.

Section 7.07 Amendments. This Mortgage may not be modified or amended except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

Section 7.08 Governing Law. This Mortgage is being executed and delivered in the State and shall be construed, governed and enforced in accordance with the Laws in effect from time to time in the State, without regard to its conflict of laws principles.

Section 7.09 General Representations, Warranties and Covenants. Mortgagor does hereby further represent, warrant and covenant to Agent that:

(a) Mortgagor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to conduct business in the State of Illinois and does not conduct business in any state other than Illinois.

(b) Mortgagor has the power, authority and legal right to own its property and carry on the business now being conducted by it and to engage in the transactions contemplated by the Credit Documents.

(c) The execution and delivery of, and the carrying out of the transactions contemplated by, the Credit Documents executed by Mortgagor, and the performance and observance

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of the terms and conditions of such Credit Documents, have been duly authorized by all necessary organizational action of Mortgagor.

(d) To the best of Mortgagor's knowledge, the Credit Documents to which Mortgagor is a party constitute the valid and legally binding obligations of Mortgagor and are fully enforceable against Mortgagor in accordance with their respective terms.

(e) The execution and performance of the Credit Documents executed by Mortgagor and the consummation of the transactions contemplated thereby will not conflict with, result in any breach of, or constitute a default under, the operating agreement of Mortgagor, or any contract, agreement, document or other instrument to which Mortgagor is a party or by which Mortgagor may be bound or affected, and to the best of Mortgagor's knowledge, do not and will not violate or contravene any Law to which Mortgagor is subject.

(f) Mortgagor has filed all federal, state, county and municipal tax returns required to have been filed by Mortgagor and has paid all Taxes which have become due pursuant to such returns or pursuant to any tax assessments received by Mortgagor.

(g) Mortgagor conducts its business solely under the name set forth in the Preamble to this Mortgage and make use of no trade names in connection therewith.

(h) To the best of Mortgagor's knowledge, no approval by, authorization of, or filing with any federal, state or municipal or other governmental commission, board or agency or other governmental authority is necessary in connection with the authorization, execution and delivery of the Credit Documents by Mortgagor.

(i) All financial information furnished by Mortgagor to Agent or Lenders in connection with the application for the Loan evidenced by the Note is true, correct and complete in all material respects and does not omit to state any fact or circumstance necessary to make the statements contained therein not misleading, and there has been no material adverse change in the financial condition of Mortgagor since the date of such financial information.

(j) To the best of Mortgagor's knowledge, all contracts, franchises, governmental approvals, and licenses required in order for Mortgagor to conduct its business and maintain and operate the Mortgaged Property in compliance with applicable law and reasonable commercial practice are in full force and effect, and the Mortgaged Property currently is being operated in compliance with all applicable legal requirements in all material respects.

(k) Mortgagor is solvent, and has the ability to pay its debts as they become due or mature.

(l) Mortgagor has no present intent to (i) file any voluntary petition under any Chapter of the United States Bankruptcy Code, or in any manner to seek relief, protection,

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reorganization, liquidation, dissolution or similar relief for debtors under any local, state, federal or other insolvency laws or laws providing for relief of debtors, or in equity, or directly or indirectly to file any such petition or to seek any such relief, either at the present time or at any time hereafter, or (ii) directly or indirectly to cause any involuntary petition under any Chapter of the United States Bankruptcy Code to be filed against Mortgagor or directly or indirectly to cause to become the subject of any proceedings pursuant to any local, state, federal or other insolvency laws or laws providing for the relief of debtors, or in equity, either at the present time, or at any time hereafter, or (iii) directly or indirectly to cause any collateral securing the Loan, or any portion thereof or any interest of Mortgagor therein, to become the property of any bankruptcy estate or the subject of any local, state, federal or other bankruptcy, dissolution, liquidation or insolvency proceedings, or in equity, either at the present time or at any time hereafter.

(m) In the event that Mortgagor becomes a debtor in any proceeding under Chapter 11 or Chapter 7 of Bankruptcy Code, as from time to time amended, in which Agent or any Lender is or becomes a creditor of Mortgagor in respect of the Credit Documents, Mortgagor, as debtor or debtor-in-possession, and, if necessary to make such consent valid and binding, the members of Mortgagor will consent (and, to the fullest extent permitted by law, each does hereby presently consent) to the immediate entry of an order in such proceeding granting Agent relief from the automatic stay under Section 362 of Bankruptcy Code, as amended from time to time, to enable Agent, as agent for Lenders, to exercise its rights and remedies under the Credit Documents (i) to foreclose this Mortgage, and (ii) to foreclose any and all other security interests granted by the Credit Documents in property of Mortgagor.

(n) Mortgagor shall, to the fullest extent permitted by law, take no steps in such bankruptcy proceeding to object to, hinder or delay the exercise of Agent's or Lenders' rights and remedies under the Credit Documents. Without limiting the foregoing, it is the express intent of the parties hereto that no injunctive relief against Agent or Lenders be sought under Section 105 or any other provision of Bankruptcy Code by Mortgagor, nor shall any extension be sought of the stay provided by Section 362 of Bankruptcy Code.

(o) Mortgagor hereby agrees that in the event Mortgagor becomes a debtor or debtor-in-possession under Chapter 7, Chapter 11 or Chapter 13 of Bankruptcy Code, as the case may be, Mortgagor will not seek injunctive relief against Agent or Lenders, or otherwise oppose or take any action to hinder or delay the exercise by Agent or Lenders of its rights and remedies against Mortgagor under the Credit Documents.

(p) The address of Mortgagor's principal place of business in Illinois is 900 North Michigan Avenue, Suite 1900, Chicago, Illinois 60611 and Mortgagor shall not change the address of such principal place of business without notifying Agent in writing at least thirty (30) days prior to the date any new address of Mortgagor's principal place of business is to become operative.

(q) Mortgagor does not carry on any business other than the operation of and the ownership of the Mortgage Property, and Mortgagor shall not, at any time prior to repayment in full

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of the Obligations carry on any business other the operation and ownership of the Mortgaged Property.

Section 7.10 Nature of Loan; Usury; Disclosures. Mortgagor represents and warrants that Mortgagor is a business or commercial organization, and the Loan is being made solely for the purpose of carrying on or acquiring a business or commercial enterprise. To the best of Mortgagor's knowledge, the rate of interest charged on the Loan does not, and will not, violate any usury Law or interest rate limitation. To the best of Mortgagor's knowledge, the Loan is not subject to the federal Consumer Credit Protection Act (15 U.S.C. §1601 et. seq.) nor any other federal or state disclosure or consumer protection laws.

SECTION 7.11 ADVISED TO OBTAIN COUNSEL. BY EXECUTING THIS MORTGAGE, MORTGAGOR ACKNOWLEDGES THAT (A) IT HAS BEEN ADVISED TO OBTAIN ITS OWN LEGAL COUNSEL TO REVIEW THIS MORTGAGE, ALL OTHER CREDIT DOCUMENTS AND ALL TRANSACTIONS EVIDENCED THEREBY AND (B) THAT MORTGAGOR EITHER HAS UTILIZED INDEPENDENT LEGAL COUNSEL OF ITS OWN CHOOSING OR ELECTED, KNOWINGLY AND WITH A FULL UNDERSTANDING OF THE CONSEQUENCES, TO PROCEED WITHOUT SUCH LEGAL COUNSEL.

Section 7.12 Application of Moneys. Whenever it is provided in this Mortgage for any moneys to be applied to payment of the Obligations, and no express order of payment is set forth, such moneys shall be applied to the Obligations in such order and manner as provided for in the Credit Agreement, and, if not provided for therein, as Agent may determine in its sole discretion.

Section 7.13 No Warranty by Agent or Lenders. By inspecting the Mortgaged Property or by accepting or approving anything required to be observed, performed or fulfilled by Mortgagor or to be given to Agent or Lenders pursuant to this Mortgage or any of the other Credit Documents, Agent and Lenders shall not be deemed to have warranted or represented the condition, sufficiency, legality, effectiveness or legal effect of the same, and such acceptance or approval shall not constitute any warranty or representation with respect thereto by Agent or Lenders

Section 7.14 Notices. All written notices and other communications hereunder shall be in writing and mailed (registered or certified mail, return receipt requested, postage prepaid), hand delivered (receipt confirmed) or sent by overnight courier service (receipt confirmed) as follows:

If to Mortgagor: Long Drive Investors I, L.L.C.
900 North Michigan Avenue, Suite 1900
Chicago, Illinois 60611-1575
Attn: Mr. William J. Abrams

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In the case of notice to

Mortgagor, with a copy to: Pircher, Nichols & Meeks
1999 Avenue of the Stars, 26th Floor
Los Angeles, California 90067
Attn: Real Estate Notices (EJML)

If to Agent or Lenders:

BHF-BANK Aktiengesellschaft
Grand Cayman Branch
c/o New York Branch
590 Madison Avenue
New York, New York 10022-2540
Attn: Mr. Nicholas J. Nouvel

In the case of notice to

Agent, with a copy to: Patterson, Belknap, Webb & Tyler LLP
1133 Avenue of the Americas
New York, New York 10036-6710
Attn: William W. Weisner, Esq.

or to such other address as may from time to time be given by any party in a written notice to the others. All notices and communications to agent shall be effective when received at the address specified or upon refusal by the addressee or its employees to accept delivery.

Section 7.15 Consent to Jurisdiction. Mortgagor irrevocably submits to the jurisdiction of any state or federal court sitting in the State over any suit, action, or proceeding arising out of or relating to this Mortgage. Mortgagor irrevocably waives, to the fullest extent permitted by law, any objection that Mortgagor may now or hereafter have to the laying of the venue of any such suit, action, or proceeding brought in any such court and any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

Section 7.16 [Intentionally deleted.]

SECTION 7.17 WAIVER OF TRIAL BY JURY. MORTGAGOR HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH MORTGAGOR AND AGENT OR LENDERS MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO (A) THIS MORTGAGE, (B) THE OTHER CREDIT DOCUMENTS OR (C) THE MORTGAGED PROPERTY. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS MORTGAGE.

SECTION 7.18 REPRESENTATION OF MORTGAGOR. MORTGAGOR REPRESENTS AND WARRANTS THAT THE WAIVER OF TRIAL BY JURY CONTAINED HEREIN AND THE COVENANTS REGARDING BANKRUPTCY SET FORTH IN SECTION

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7.09 HEREOF (THE "BANKRUPTCY COVENANTS") ARE KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY MORTGAGOR AND MORTGAGOR HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR AGREEMENTS HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THE WAIVER OF TRIAL BY JURY OR THE BANKRUPTCY COVENANTS OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. MORTGAGOR FURTHER REPRESENTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS MORTGAGE AND IN THE MAKING OF THE WAIVER OF TRIAL BY JURY AND THE BANKRUPTCY COVENANTS BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THE WAIVER OF TRIAL BY JURY AND BANKRUPTCY COVENANTS WITH SUCH COUNSEL.

Section 7.19 Exculpation.

(a) Agent acknowledges and agrees that Mortgagor is a Delaware limited liability company and that the present and future members of Mortgagor shall not be personally liable in any respect for any Mortgagor's obligations except to the extent of any portion of the Proceeds (as defined in the Credit Agreement) received by the members after the occurrence and during the continuance of an Event of Default, and any funds received by such members from the Tax Reserve Account (as defined in the Credit Agreement), whether constituting Excess Cash Flow (as defined in the Credit Agreement) or otherwise. Any Proceeds received by Mortgagor shall not be deemed to have been received by a member thereof unless actually received by the member. Without limitation of the foregoing, no person or entity which is a direct or indirect present or future partner, member, principal, shareholder or owner of a member (but not a direct member of Mortgagor), or any of their respective directors, officers, managers, trustees, employees, agents or advisors (who are not direct members of Mortgagor), shall have any liability whatsoever in connection with the Loan

(b) The foregoing limitation on liability shall not impair or otherwise affect the validity or enforceability of (i) the debt evidenced by the Indemnity Guaranty, the Credit Agreement, the Note, or of any other obligations evidenced by the Credit Documents, as against Mortgagor itself, (ii) the liens, security interests, rights and remedies (including, without limitation, the remedies of foreclosure and/or sale) of Agent and Lenders with respect to the Mortgaged Property or (iii) any person's liability under any guaranty(ies) or indemnity(ies) contained in any separate instruments or agreements delivered or afforded by any person to Agent or Lenders.

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IN WITNESS WHEREOF, Mortgagor has caused this instrument to be signed in its name by its duly authorized member and its seal to be hereunto affixed by authority of its membership, the day and year first above written.


Mortgagor:

LONG DRIVE INVESTORS I, L.L.C.,
a Delaware limited liability company

By: WALTON STREET REAL ESTATE FUND I, L.L.C.,
a Delaware limited liability company,
its Manager

By: WALTON STREET MANAGERS I, L.P.,
a Delaware limited partnership,
its Manager

By: WSC MANAGERS I, INC.,
a Delaware corporation,
General Partner

By: 
Name: K. Jay Weaver
Title: Vice President

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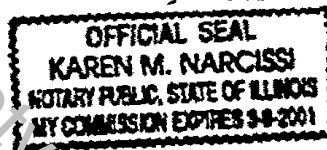
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STATE OF ILLINOIS)
)
COUNTY OF Cook) SS

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that K. Jay Weaver, personally known to me to be the Vice President of WSC Managers, I, Inc., a Delaware corporation and general partner of Walton Street Managers I, L.P., a Delaware limited partnership, as Manager of Walton Street Real Estate Fund I, L.L.C., a Delaware limited liability company, as Manager of Long Drive Investors I, L.L.C., a Delaware limited liability company, personally known to be the same person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that K. JAY WEAVER signed and delivered the said instrument in _____ capacity as such VP, as _____ free and voluntary act and deed and as the free and voluntary act and deed of said corporation, as general partner as aforesaid, for the uses and purposes therein set forth.

Given under my hand and official seal this 14 day of May, 1997.

Karen M. Narcissi
Notary Public



~~STATE OF ILLINOIS)
)
COUNTY OF _____) SS~~

~~I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that _____, personally known to me to be the _____ of BHF-BANK Aktiengesellschaft, a German banking corporation acting through its Grand Cayman Branch, personally known to be the same person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that _____ signed and delivered the said instrument in _____ capacity as such _____, as _____ free and voluntary act and deed and as the free and voluntary act and deed of said banking corporation, for uses and purposes therein set forth.~~

~~Given under my hand and official seal this _____ day of _____, 1997.~~

~~_____
Notary Public~~

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EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

PARCEL 1:

THAT PART OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE EAST LINE OF SAID SOUTHEAST 1/4, A DISTANCE OF 927.30 FEET NORTH OF THE SOUTHEAST CORNER THEREOF; THENCE WEST 1304.16 FEET MORE OR LESS TO A POINT 16.5 FEET EAST OF THE WEST LINE OF SAID SOUTHEAST 1/4; THENCE NORTH PARALLEL TO AND ALONG A LINE 16.5 FEET EAST OF THE WEST LINE OF SAID SOUTHEAST 1/4, A DISTANCE OF 391.38 FEET MORE OR LESS TO THE NORTH LINE OF SAID SOUTHEAST 1/4; THENCE EAST ALONG THE NORTH LINE OF SAID SOUTHEAST 1/4 A DISTANCE OF 1304 FEET MORE OR LESS TO THE EAST LINE OF SAID SOUTHEAST 1/4; THENCE SOUTH ALONG THE EAST LINE OF SAID SOUTHEAST 1/4, A DISTANCE OF 392.72 FEET MORE OR LESS TO THE POINT OF BEGINNING (EXCEPTING THEREFROM A STRIP OF LAND 100 FEET WIDE CONVEYED BY SAMUEL MEYER AND WIFE TO THE CHICAGO NORTHERN RAILWAY COMPANY BY WARRANTY DEED RECORDED JANUARY 9, 1903 AS DOCUMENT NO. 3340531 A MAP WHICH WAS RECORDED JANUARY 23, 1904 AS DOCUMENT NO. 3492598; ALSO EXCEPTING THEREFROM A STRIP OF LAND 135 FEET WIDE LYING EASTERLY OF AND ADJOINING THE EASTERLY RIGHT-OF-WAY LINE OF THE 100 FOOT STRIP OF LAND ABOVE DESCRIBED; ALSO EXCEPTING THEREFROM THAT PART OF SAID PREMISES TAKEN FOR EDENS HIGHWAY; ALSO EXCEPTING THAT PART OF THE FOREGOING TRACT LYING EASTERLY OF EDENS HIGHWAY AFORESAID)

PARCEL 2:

THAT PART OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 (EXCEPT THE NORTH 30 FEET THEREOF WHICH LIES WITHIN HARRISON STREET) OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN LYING WEST OF THE WESTERLY LINE OF THE 100 FEET RIGHT-OF-WAY OF CHICAGO AND NORTH WESTERN RAILROAD, IN COOK COUNTY, ILLINOIS;

EXCLUDING: THAT PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF FRACTIONAL SECTION 9, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF THE SOUTHWEST 1/4 OF SAID FRACTIONAL SECTION 9, WITH THE EASTERLY LINE OF THE 100 FOOT RIGHT-OF-WAY OF THE CHICAGO AND NORTH WESTERN RAILWAY COMPANY AS DESCRIBED IN PARCEL 5 OF WARRANTY DEED RECORDED ON SEPTEMBER 30, 1971 AS DOCUMENT NO. 21648312; THENCE SOUTHEASTERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE TO A POINT THAT IS 61.5 FEET SOUTH OF SAID NORTH LINE (AS MEASURED ON A LINE DRAWN RIGHT ANGLES TO SAID NORTH LINE); THENCE NORTHWESTERLY TO A POINT ON THE WEST LINE OF THE EAST 1/2 OF THE SOUTHWEST FRACTIONAL 1/4 OF SECTION 9 AFORESAID, SAID POINT BEING 39.7463 FEET SOUTH OF THE NORTH LINE OF SAID EAST 1/2 (AS MEASURED ALONG SAID WEST LINE); THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF SAID EAST 1/2; THENCE EAST ALONG SAID NORTH LINE TO THE PLACE OF BEGINNING, (EXCEPTING THEREFROM THAT PART FALLING IN OLD ORCHARD ROAD ALSO KNOWN AS HARRISON STREET).

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