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77 WEST WACKER LIMITED PARTNERSHIP,
an Illinois limited partnership, as Borrower
(Borrower)

to

LEHMAN BROTHERS HOLDINGS INC.,
DOING BUSINESS AS LEHMAN CAPITAL,
A DIVISION OF LEHMAN BROTHERS HOLDINGS INC.
(Lender)

MORTGAGE AND
SECURITY AGREEMENT

Dated: As of October 1, 1998

Property: 77 West Wacker Drive
Address Chicago, Illinois 60601

P.I.N. 17-09-421-006 17-09-421-012 17-09-421-015 17-09-422-009
17-09-421-007 17-09-421-013 17-09-421-016 17-09-422-011
17-09-421-008 17-09-421-014 17-09-421-018

PREPARED BY AND UPON
RECORDATION RETURN TO:

Cadwalader, Wickersham & Taft
100 Maiden Lane
New York, New York 10038

Attention: Paul A. Keenan

10038 10038

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TABLE OF CONTENTS

Article 1 - GRANTS OF SECURITY	1
Section 1.1 Property Mortgaged	1
Section 1.2 Assignment of Rents.....	5
Section 1.3 Security Agreement.....	6
Section 1.4 Fixture Filing	6
Section 1.5 Pledges of Monies Held	6
Article 2 - DEBT AND OBLIGATIONS SECURED.....	7
Section 2.1 Debt 7	
Section 2.2 Other Obligations	7
Article 3 - BORROWER COVENANTS.....	7
Section 3.1 Payment of Debt	7
Section 3.2 Incorporation by Reference	7
Section 3.3 Insurance	8
Section 3.4 Maintenance of Property.....	8
Section 3.5 Waste.....	8
Section 3.6 Payment for Labor and Materials.....	8
Section 3.7 Performance of Other Agreements.....	9
Section 3.8 Change of Name, Identity or Structure	9
Section 3.9 Ground Lease.....	9
Section 3.10 No Merger of Fee and Leasehold Estates.....	10
Section 3.11 Borrower's Acquisition of Fee Estate.....	10
Section 3.12 Rejection of Ground Lease	11
Article 4 - OBLIGATIONS AND RELIANCES.....	12
Section 4.1 Relationship of Borrower and Lender.....	12
Section 4.2 No Reliance on Lender	12
Section 4.3 No Lender Obligations.....	12
Section 4.4 Reliance.....	13
Article 5 - FURTHER ASSURANCES.....	13
Section 5.1 Recording of Security Instrument, etc.....	13
Section 5.2 Further Acts, etc.	13
Section 5.3 Changes in Tax, Debt, Credit and Documentary Stamp Laws.....	14
Section 5.4 Splitting of Mortgage.....	14
Section 5.5 Replacement Documents.....	15
Article 6 - DUE ON SALE/ENCUMBRANCE.....	15
Section 6.1 Lender Reliance	15
Section 6.2 No Sale/Encumbrance.....	15
Section 6.3 Sale/Encumbrance Defined.....	15
Section 6.4 Lender's Rights	16

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Property of Cook County Clerk's Office

Article 7 - RIGHTS AND REMEDIES UPON DEFAULT 16

 Section 7.1 Remedies 16

 Section 7.2 Application of Proceeds 19

 Section 7.3 Right to Cure Defaults 19

 Section 7.4 Actions and Proceedings..... 19

 Section 7.5 Recovery of Sums Required To be Paid 19

 Section 7.6 Examination of Books and Records..... 19

 Section 7.7 Other Rights, Etc. 20

 Section 7.8 Right to Release Any Portion of the Property 20

 Section 7.9 Violation of Laws..... 21

 Section 7.10 Right of Entry..... 21

Article 8 - ENVIRONMENTAL HAZARDS 21

 Section 8.1 Environmental Representations and Warranties 21

 Section 8.2 Environmental Covenants 22

 Section 8.3 Lender's Rights 24

Article 9 - INDEMNIFICATION 24

 Section 9.1 General Indemnification 24

 Section 9.2 Mortgage and/or Intangible Tax..... 25

 Section 9.3 ERISA Indemnification 25

 Section 9.4 Environmental Indemnification..... 26

 Section 9.5 Duty to Defend; Attorneys' Fees and Other Fees and Expenses 27

Article 10 - WAIVERS..... 27

 Section 10.1 Waiver of Counterclaim..... 27

 Section 10.2 Marshalling and Other Matters 27

 Section 10.3 Waiver of Notice 27

 Section 10.4 Waiver of Statute of Limitations..... 28

 Section 10.5 Survival 28

Article 11 - EXCULPATION 28

Article 12 - NOTICES..... 28

Article 13 - APPLICABLE LAW 29

 Section 13.1 Governing Law 29

 Section 13.2 Usury Laws..... 30

 Section 13.3 Provisions Subject to Applicable Law..... 30

Article 14 - DEFINITIONS..... 30

Article 15 - MISCELLANEOUS PROVISIONS..... 31

 Section 15.1 No Oral Change 31

 Section 15.2 Successors and Assigns..... 31

 Section 15.3 Inapplicable Provisions..... 31

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UNOFFICIAL COPY

08890283

Section 15.4 Headings, etc.....	31
Section 15.5 Number and Gender	31
Section 15.6 Subrogation.....	31
Section 15.7 Entire Agreement.....	31
Section 15.8 Limitation on Lender's Responsibility.....	32
Article 16 - STATE-SPECIFIC PROVISIONS	32
Section 16.1 Principals Of Construction.....	32
Section 16.2 Fixture Filing	32
Section 16.3 Maturity Date	32
Section 16.4 Maximum Amount Secured Hereby.....	32
Section 16.5 Waiver of Statutory Rights	33
Section 16.6 Compliance with Illinois Mortgage Foreclosure Law.....	33
Section 16.7 Illinois Responsible Property Transfer Act	33
Section 16.8 Financing Statement.....	33
Section 16.9 Use of Loan Proceeds	34
Section 16.10 Usury.....	34

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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (this "Mortgage") is made as of this 1st day of October, 1998, by 77 WEST WACKER LIMITED PARTNERSHIP, an Illinois limited partnership, having its principal place of business at 77 West Wacker Drive, Suite 3900, Chicago, Illinois 60601, as mortgagor ("Borrower") for the benefit of LEHMAN BROTHERS HOLDINGS INC., doing business as Lehman Capital, a division of Lehman Brothers Holdings Inc., having an address at Three World Financial Center, New York, New York 10285 as mortgagee ("Lender").

WITNESSETH:

WHEREAS, this Mortgage is given to secure a loan (the "Loan") in the principal sum of ONE HUNDRED SEVENTY MILLION AND NO/100 DOLLARS (\$170,000,000) advanced pursuant to that certain Loan Agreement dated as of the date hereof between Borrower and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Loan Agreement") and evidenced by that certain Promissory Note dated the date hereof made by Borrower to Lender (such Note, together with all extensions, renewals, replacements, restatements or modifications thereof being hereinafter referred to as the "Note");

WHEREAS, Borrower desires to secure the payment of the Debt (as defined in the Loan Agreement) and the performance of all of its obligations under the Note, the Loan Agreement and the other Loan Documents; and

WHEREAS, this Mortgage is given pursuant to the Loan Agreement, and payment, fulfillment, and performance by Borrower of its obligations thereunder and under the other Loan Documents are secured hereby, and each and every term and provision of the Loan Agreement and the Note, including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Mortgage (the Loan Agreement, the Note, this Mortgage, that certain Assignment of Leases and Rents of even date herewith made by Borrower in favor of Lender (the "Assignment of Leases") and all other documents evidencing or securing the Debt are hereinafter referred to collectively as the "Loan Documents").

NOW THEREFORE, in consideration of the making of the Loan by Lender and the covenants, agreements, representations and warranties set forth in this Mortgage:

Article 1 - GRANTS OF SECURITY

Section 1.1 Property Mortgaged. Borrower does hereby irrevocably mortgage, pledge, assign, warrant, transfer and convey to Lender and its successors and assigns the following property, rights, interests and estates now owned, or hereafter acquired by Borrower (collectively, the "Property"):

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(a) Land. The real property described in Exhibit A attached hereto and made a part hereof (the "Land");

(b) Additional Land. All additional lands, estates and development rights hereafter acquired by Borrower for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Mortgage;

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (collectively, the "Improvements");

(d) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, and all the estates, rights, titles, interests, property, possession, claim and demand whatsoever, both at law and in equity, of Borrower of, in and to the Land and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(e) Equipment. All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code, now owned or hereafter acquired by Borrower and which is used at or in connection with the Improvements or the Land or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Borrower and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories owned by Borrower installed thereon or affixed thereto (collectively, the "Equipment"). Notwithstanding the foregoing, Equipment shall not include any property belonging to tenants under leases or any equipment leased by Borrower, in either case except to the extent that Borrower shall have any right or interest therein;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Borrower which is so related to the Land and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state in which the Equipment is located,

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including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Land, including, but not limited to, Borrower's interest in any engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Borrower's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "Fixtures"). Notwithstanding the foregoing, "Fixtures" shall not include any property which tenants are entitled to remove pursuant to leases except to the extent that Borrower shall have any right or interest therein;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever (as defined in and subject to the provisions of the Uniform Commercial Code as hereinafter defined), other than Fixtures, which are now or hereafter owned by Borrower and which are located within or about the Land and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the "Personal Property"), and the right, title and interest of Borrower in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where any of the Property is located (the "Uniform Commercial Code"), superior in lien to the lien of this Mortgage and all proceeds and products of the above;

(h) Leases and Rents. All leases and other agreements affecting the use, enjoyment or occupancy of the Land and the Improvements heretofore or hereafter entered into, whether before or after the filing by or against Borrower of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the "Bankruptcy Code") (collectively, the "Leases") and all right, title and interest of Borrower, its successors and assigns

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therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Land and the Improvements whether paid or accruing before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code, together with any termination payments due or to become due under the Leases (including, without limitation, any termination payment made pursuant to Section 35 of the Lease with Kemper Securities Group, Inc., successor to Everen Securities, Inc.) (collectively, the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt;

(i) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including but not limited to any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(j) Insurance Proceeds. All proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property;

(k) Tax Certiorari. All refunds, rebates or credits in connection with reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reduction unless such rebates are required to be returned to any tenant of the Improvement;

(l) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, proceeds of insurance and condemnation awards, into cash or liquidation claims;

(m) Rights. The right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Lender in the Property;

(n) Agreements. All right, title and interest of Borrower in and to all agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or respecting any business or activity conducted by Borrower on

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the Land and any part thereof, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Borrower thereunder;

(o) Trademarks. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property and owned by Borrower;

(p) Ground Lease. The ground lease described in Exhibit A attached hereto and the leasehold estates created thereby (collectively, the "Ground Lease"), together with all modifications, extensions and renewals of the Ground Lease and all credits, deposits, options, privileges and rights of Borrower as tenant under the Ground Lease including, but not limited to, any right to renew or extend the Ground Lease for succeeding terms, together with any substitute leasehold estates which may be granted to Borrower pursuant to Section 1.5 of the Ground Lease;

(q) Subleases. All rights of Borrower under any subleases of that Office Space Lease dated March 1, 1987 between American National Bank and Trust Company of Chicago as Trustee under Trust Agreement dated December 1, 1983 and known as Trust No. 59899, as Landlord, and Jones, Day, Reavis & Pogue, at Tenant, relating to certain premises located at 255 West Washington Street, Chicago, Illinois; and

(r) Other Rights. Any and all other rights of Borrower in and to the items set forth in Subsections (a) through (q) above.

AND without limiting any of the other provisions of this Mortgage, to the extent permitted by applicable law, Borrower expressly grants to Lender, as secured party, a security interest in the portion of the Property which is or may be subject to the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Land (the Land, the Improvements and the Fixtures collectively referred to as the "Real Property") appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Mortgage be deemed conclusively to be real estate and mortgaged hereby.

Section 1.2 Assignment of Rents. Borrower hereby absolutely and unconditionally assigns to Lender all of Borrower's right, title and interest in and to all current and future Leases and Rents; it being intended by Borrower that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of the Assignment of Leases and Section 7.1(h) of this Mortgage, Lender grants to Borrower a license to collect, receive, use and enjoy the Rents unless and until an Event of Default exists. Borrower shall hold the Rents, or a portion thereof sufficient to discharge all current sums due on the Debt, for use in the payment of such sums.

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Section 1.3 Security Agreement. This Mortgage is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Borrower in the Property. By executing and delivering this Mortgage, Borrower hereby grants to Lender, as security for the Obligations (hereinafter defined), a security interest in the Fixtures, the Equipment and the Personal Property to the full extent that the Fixtures, the Equipment and the Personal Property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the "Collateral"). If an Event of Default shall occur and be continuing, Lender, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Lender after the occurrence and during the continuance of an Event of Default, Borrower shall, at its expense, assemble the Collateral and make it available to Lender at a convenient place (at the Land if tangible property) reasonably acceptable to Lender. Borrower shall pay to Lender on demand any and all expenses, including reasonable legal expenses and attorneys' fees, incurred or paid by Lender in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of an Event of Default. Any notice of sale, disposition or other intended action by Lender with respect to the Collateral sent to Borrower in accordance with the provisions hereof at least ten (10) business days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Borrower. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper. Borrower's (Debtor's) principal place of business is as set forth on page one hereof and the address of Lender (Secured Party) is as set forth on page one hereof.

Section 1.4 Fixture Filing. Certain of the Property is or will become "fixtures" (as that term is defined in the Uniform Commercial Code) on the Land, described or referred to in this Mortgage, and this Mortgage, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is or may become fixtures.

Section 1.5 Pledges of Monies Held. Borrower hereby pledges to Lender any and all monies now or hereafter held by Lender or on behalf of Lender, including, without limitation, any sums deposited in the Lockbox Account, the Reserve Funds and Net Proceeds, as additional security for the Obligations until expended or applied as provided in this Mortgage.

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CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Lender and its successors and assigns, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Borrower shall well and truly pay to Lender the Debt at the time and in the manner provided in the Note, the Loan Agreement and this Mortgage, these presents and the estate hereby granted shall cease, terminate and be void; provided, however, that Borrower's obligation to indemnify and hold harmless Lender pursuant to the provisions hereof shall survive any such payment or release.

Article 2 - DEBT AND OBLIGATIONS SECURED

Section 2.1 Debt. This Mortgage and the grants, assignments and transfers made in Article 1 are given for the purpose of securing the Debt.

Section 2.2 Other Obligations. This Mortgage and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the following (the "Other Obligations"):

- (a) the performance of all other obligations of Borrower contained herein;
- (b) the performance of each obligation of Borrower contained in the Loan Agreement and any other Loan Document; and
- (c) the performance of each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Loan Agreement or any other Loan Document.

Section 2.3 DEBT AND OTHER OBLIGATIONS. Borrower's obligations for the payment of the Debt and the performance of the Other Obligations shall be referred to collectively herein as the "Obligations."

Article 3 - BORROWER COVENANTS

Borrower covenants and agrees that:

Section 3.1 Payment of Debt. Borrower will pay the Debt at the time and in the manner provided in the Loan Agreement, the Note and this Mortgage.

Section 3.2 Incorporation by Reference. All the covenants, conditions and agreements contained in (a) the Loan Agreement, (b) the Note and (c) all and any of the other Loan Documents, are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

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Section 3.3 Insurance. Borrower shall obtain and maintain, or cause to be maintained, in full force and effect at all times insurance with respect to Borrower and the Property as required pursuant to the Loan Agreement.

Section 3.4 Maintenance of Property. Borrower shall cause the Property to be maintained in a good and safe condition and repair. The Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Fixtures, the Equipment or the Personal Property, tenant finish and refurbishment of the Improvements) without the consent of Lender, which consent shall not be unreasonably withheld or delayed. Borrower shall promptly repair, replace or rebuild any part of the Property which may be destroyed by any casualty or condemnation or become damaged, worn or dilapidated and shall complete and pay for any structure at any time in the process of construction or repair on the Land; provided, however, that Borrower shall not be required to restore the Property in connection with any casualty or condemnation unless the Net Proceeds (as defined in the Loan Agreement) are made available to Borrower for such restoration.

Section 3.5 Waste. Borrower shall not commit or suffer any waste of the Property or make any change in the use of the Property which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that might invalidate or allow the cancellation of any Policy, or do or permit to be done thereon anything that may in any way materially impair the value of the Property or the security of this Mortgage. Borrower will not, without the prior written consent of Lender, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Land, regardless of the depth thereof or the method of mining or extraction thereof.

Section 3.6 Payment for Labor and Materials. (a) Borrower will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials ("Labor and Material Costs") incurred in connection with the Property and never permit to exist beyond the due date thereof in respect of the Property or any part thereof any lien or security interest, even though inferior to the liens and the security interests hereof, and in any event never permit to be created or exist in respect of the Property or any part thereof any other or additional lien or security interest other than the liens or security interests hereof except for the Permitted Encumbrances and except as permitted in Section 3.6(b) below or elsewhere in the Loan Documents.

(b) After prior written notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Labor and Material Costs, provided that (i) no Event of Default has occurred and is continuing under the Loan Agreement, the Note, this Mortgage or any of the other Loan Documents, (ii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Borrower is subject and shall not constitute a default thereunder, (iii) neither the Property nor any part thereof or interest therein will be in danger

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of being sold, forfeited, terminated, canceled or lost, and (iv) Borrower shall have furnished to Lender a title indemnity reasonably acceptable to Lender or such security as may be reasonably requested by Lender to insure the payment of any contested Labor and Material Costs, together with all interest and penalties thereon.

Section 3.7 Performance of Other Agreements. Borrower shall observe and perform, or contest in accordance with the Loan Documents, each and every term, covenant and provision to be observed or performed by Borrower pursuant to the Loan Agreement, any other Loan Document and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

Section 3.8 Change of Name, Identity or Structure. Borrower shall not change Borrower's name, identity (including its trade name or names) or, if not an individual, Borrower's corporate, partnership or other structure without notifying Lender of such change in writing at least thirty (30) days prior to the effective date of such change and, in the case of a change in Borrower's structure, without first obtaining the prior written consent of Lender. Borrower shall execute and deliver to Lender, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change required by Lender to establish or maintain the validity, perfection and priority of the security interest granted herein. At the request of Lender, Borrower shall execute a certificate in form satisfactory to Lender listing the trade names under which Borrower intends to operate the Property, and representing and warranting that Borrower does business under no other trade name with respect to the Property.

Section 3.9 Ground Lease. Borrower shall (a) pay all rents, additional rents and other sums required to be paid by Borrower as tenant under and pursuant to the provisions of the Ground Lease, as and when such rent or other charge is payable, (b) diligently perform and observe all of the terms, covenants and conditions of the Ground Lease on the part of Borrower as tenant thereunder, and (c) promptly notify Lender of the giving of any notice by any ground lessor to Borrower of any default by Borrower in the performance or observance of any of the terms, covenants or conditions of the Ground Lease, and deliver to Lender a true copy of each such notice. Borrower shall not, without the prior consent of Lender, surrender the leasehold estates created by the Ground Lease or terminate or cancel the Ground Lease. Borrower shall not, without the prior consent of Lender which consent shall not be unreasonably withheld or delayed, modify, change, supplement, alter or amend the Ground Lease in any respect, either orally or in writing. Borrower hereby assigns to Lender, as further security for the payment of the Debt and for the performance and observance of the terms, covenants and conditions of this Mortgage and the Loan Agreement, all of the rights, privileges and prerogatives of Borrower as tenant under the Ground Lease to surrender the leasehold estates created by the Ground Lease or to terminate, cancel, modify, change, supplement, alter or amend the Ground Lease, and any such surrender of the leasehold estate created by the Ground Lease or termination, cancellation, modification, change, supplement, alteration or amendment of the Ground Lease without the prior consent of Lender shall be void and of no force and effect. If Borrower shall default in the performance or observance of any term, covenant or condition of the Ground Lease to be performed or observed on the part of

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Borrower, then, without limiting the generality of the other provisions of this Mortgage and the Loan Agreement, and without waiving or releasing Borrower from any of its obligations hereunder or thereunder, Lender shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the terms, covenants and conditions of the Ground Lease to be performed or observed on the part of Borrower as tenant thereunder, to be promptly performed or observed on behalf of Borrower. If Lender shall make any payment or perform any act or take action in accordance with the preceding sentence, Lender will notify Borrower of the making of any such payment, the performance of any such act, or the taking of any such action. In any such event, Lender and any person designated by Lender shall have, and are hereby granted, the right to enter upon the land demised by the Ground Lease at any time and from time to time for the purpose of taking any such action. Lender may pay and expend such sums of money as Lender deems reasonably necessary for any such purpose and upon so doing shall be subrogated to any and all rights of any ground lessor under the Ground Lease. Borrower hereby agrees to pay to Lender within ten (10) days after written notice, all such sums so paid and expended by Lender, together with interest thereon from the day of such payment at the Default Rate until paid. All sums so paid and expended by Lender and the interest thereon shall be secured by the legal operation and effect of this Mortgage. If any ground lessor shall deliver to Lender a copy of any notice of default sent by said ground lessor to Borrower as tenant under the Ground Lease which provides that Borrower is in default under the Ground Lease beyond applicable grace periods, such notice shall constitute full protection to Lender for any action taken or omitted to be taken by Lender, in good faith, in reliance thereon. Borrower will not subordinate or consent to the subordination of the Ground Lease to any mortgage, security deed, lease or other interest on or in the ground lessor's interest in all or any part of the land demised by the Ground Lease, unless, in each such case, the written consent of Lender shall have been first had and obtained.

Section 3.10 No Merger of Fee and Leasehold Estates. So long as any portion of the Debt shall remain unpaid, unless Lender shall otherwise consent, the fee title to the land demised by the Ground Lease and the leasehold estate therein created pursuant to the provisions of the Ground Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in Borrower, Lender, any ground lessor or in any other person by purchase, operation of law or otherwise. Lender reserves the right, at any time, to release portions of the Property, including, but not limited to, the leasehold estate created by the Ground Lease, with or without consideration, at Lender's election, without waiving or affecting any of its rights hereunder or under the Note or the other Loan Documents and any such release shall not affect Lender's rights in connection with the portion of the Property not so released.

Section 3.11 Borrower's Acquisition of Fee Estate. In the event that Borrower, so long as any portion of the Debt remains unpaid, shall be the owner and holder of the fee title to any of the portion of the Land demised by the Ground Lease, the lien of this Mortgage shall be spread to cover Borrower's fee title to such portion of the Land and said fee title shall be deemed to be included in the Property. In such event, Borrower agrees, at its sole cost and expense, including without limitation Lender's reasonable attorneys' fees, to (a) execute any

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and all documents or instruments necessary to subject its fee title to the Land demised by the Grounds Lease to the lien of this Mortgage; and (b) provide a title insurance policy which shall insure that the lien of this Mortgage is a first lien on Borrower's fee title to the Land demised by the Ground Lease. Notwithstanding the foregoing, if the Ground Lease is for any reason whatsoever terminated prior to the natural expiration of its terms, and if, pursuant to any provisions of the Ground Lease or otherwise, Lender or its designee shall acquire from the ground lessor thereunder another lease of the portion of the Land demised by the Ground Lease, Borrower shall have no right, title or interest in or to such other lease or the leasehold estate created thereby.

Section 3.12 Rejection of Ground Lease.

(a) If the Ground Lease is terminated for any reason in the event of the rejection or disaffirmance of the Ground Lease pursuant to the Bankruptcy Code, or any other law affecting creditor's rights, (i) Borrower, immediately after obtaining notice thereof, shall give notice thereof to Lender, (ii) Borrower, without the prior written consent of Lender, shall not elect to treat such Ground Lease as terminated pursuant to Section 365(h) of the Bankruptcy Code or any comparable federal or state statute or law, and any election by Borrower made without such consent shall be void and (iii) this Mortgage and the Loan Agreement and all the liens, terms, covenants and conditions of this Mortgage and the Loan Agreement hereby extend to and cover Borrower's possessory rights under Section 365(h) of the Bankruptcy Code and to any claim for damages due to the rejection of such Ground Lease or other termination of such Ground Lease. In addition, Borrower hereby assigns irrevocably to Lender Borrower's rights to treat the Ground Lease as terminated pursuant to Section 365(h) of the Bankruptcy Code and to offset rents under such Ground Lease in the event any case, proceeding or other action is commenced by or against the ground lessor under the Bankruptcy Code or any comparable federal or state statute or law, provided that Lender shall not exercise such rights and shall permit Borrower to exercise such rights with the prior written consent of Lender, not to be unreasonably withheld or delayed, unless an Event of Default shall have occurred and be continuing.

(b) Borrower hereby assigns to Lender, Borrower's right to reject the Ground Lease under Section 365 of the Bankruptcy Code or any comparable federal or state statute or law with respect to any case, proceeding or other action commenced by or against Borrower under the Bankruptcy Code or comparable federal or state statute or law, provided the Lender shall not exercise such right, and shall permit Borrower to exercise such right with the prior written consent of Lender, not to be unreasonably withheld or delayed, unless an Event of Default shall have occurred and be continuing other than an Event of Default arising from the filing of such case or proceeding. Further, if Borrower shall desire to so reject either of the Ground Lease, at Lender's request, Borrower shall assign its interest in such Ground Lease to Lender in lieu of rejecting such Ground Lease as described above, upon receipt by Borrower of written notice from Lender of such request together with Lender's agreement to cure any existing defaults of Borrower under such Ground Lease.

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(c) Borrower hereby assigns to Lender, Borrower's right to seek an extension of the 60-day period within which Borrower must accept or reject the Ground Lease under Section 365 of the Bankruptcy Code or any comparable federal or state statute or law with respect to any case, proceeding or other action commenced by or against Borrower under the Bankruptcy Code or comparable federal or state statute or law, provided Lender shall not exercise such right, and shall permit Borrower to exercise such right with the prior written consent of Lender, not to be unreasonably withheld or delayed, unless an Event of Default shall have occurred and be continuing other than an Event of Default arising from the filing of such case or proceeding. Further, if Borrower shall desire to so reject either of the Ground Lease, at Lender's request, Borrower shall assign its interest in such Ground Lease to Lender in lieu of rejecting such Ground Lease as described above, upon receipt by Borrower of written notice from Lender of such request together with Lender's agreement to cure any existing defaults of Borrower under such Ground Lease.

(d) Borrower hereby agrees that if the Ground Lease is terminated for any reason in the event of the rejection or disaffirmance of either Ground Lease pursuant to the Bankruptcy Code or any other law affecting creditor's rights, any property not removed by the Borrower as permitted or required by such Ground Lease, shall at the option of Lender be deemed abandoned by Borrower.

Article 4 - OBLIGATIONS AND RELIANCES

Section 4.1 Relationship of Borrower and Lender. The relationship between Borrower and Lender is solely that of debtor and creditor, and Lender has no fiduciary or other special relationship with Borrower, and no term or condition of any of the Loan Agreement, the Note, this Mortgage and the other Loan Documents shall be construed so as to deem the relationship between Borrower and Lender to be other than that of debtor and creditor.

Section 4.2 No Reliance on Lender. The general partners, members, principals and (if Borrower is a trust) beneficial owners of Borrower are experienced in the ownership and operation of properties similar to the Property, and Borrower and Lender are relying solely upon such expertise and business plan in connection with the ownership and operation of the Property. Borrower is not relying on Lender's expertise, business acumen or advice in connection with the Property.

Section 4.3 No Lender Obligations. (a) Notwithstanding the provisions of Subsections 1.1(h) and (n) or Section 1.2, Lender is not undertaking the performance of (i) any obligations under the Leases; or (ii) any obligations with respect to such agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses and other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Lender pursuant to this Mortgage, the Loan Agreement, the Note or the other Loan Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Lender shall not be deemed to have warranted, consented to, or affirmed the

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sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Lender.

Section 4.4 Reliance. Borrower recognizes and acknowledges that in accepting the Loan Agreement, the Note, this Mortgage and the other Loan Documents, Lender is expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Section 4.1 of the Loan Agreement without any obligation to investigate the Property and notwithstanding any investigation of the Property by Lender; that such reliance existed on the part of Lender prior to the date hereof, that the warranties and representations are a material inducement to Lender in making the Loan; and that Lender would not be willing to make the Loan and accept this Mortgage in the absence of the warranties and representations as set forth in Section 4.1 of the Loan Agreement.

Article 5 - FURTHER ASSURANCES

Section 5.1 Recording of Security Instrument, etc. Borrower forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any of the other Loan Documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect and perfect the lien or security interest hereof upon, and the interest of Lender in, the Property. Borrower will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of the Note, this Mortgage, the other Loan Documents, any note, deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents, except where prohibited by law so to do.

Section 5.2 Further Acts, etc. Borrower will, at the cost of Borrower, and without expense to Lender, do, execute, acknowledge and deliver all and every such further reasonable acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Lender shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Lender the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Borrower may be or may hereafter become bound to convey or assign to Lender, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage, or for complying with all Legal Requirements. Borrower, on demand, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Lender to execute in the name of Borrower or without the signature

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of Borrower to the extent Lender may lawfully do so, one or more financing statements to evidence more effectively the security interest of Lender in the Property. Borrower grants to Lender an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Lender at law and in equity pursuant to this Section 5.2. Nothing contained in this Section 5.2 shall be deemed to create an obligation on the part of Borrower to pay any costs and expenses incurred by Lender in connection with the Securitization or other sale or transfer of the Loan.

Section 5.3 Changes in Tax, Debt, Credit and Documentary Stamp Laws. (a)

If any law is enacted or adopted or amended after the date of this Mortgage which deducts the Debt from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Lender's interest in the Property, Borrower will pay the tax, with interest and penalties thereon, if any. If Lender is advised by counsel chosen by it that the payment of tax by Borrower would be unlawful or taxable to Lender or unenforceable or provide the basis for a defense of usury then Lender shall have the option by written notice of not less than one hundred twenty (120) days to declare the Debt immediately due and payable.

(b) Borrower will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Mortgage or the Debt. If such claim, credit or deduction shall be required by law, Lender shall have the option, by written notice of not less than one hundred twenty (120) days, to declare the Debt immediately due and payable.

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, this Mortgage, or any of the other Loan Documents or impose any other tax or charge on the same, Borrower will pay for the same, with interest and penalties thereon, if any.

Section 5.4 Splitting of Mortgage. This Mortgage and the Note shall, at any time until the same shall be fully paid and satisfied, at the sole election of Lender and at Lender's sole cost and expense, be split or divided into two or more notes and two or more security instruments, each of which shall cover all or a portion of the Property to be more particularly described therein. To that end, Borrower, upon written request of Lender, shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered by the then owner of the Property, to Lender and/or its designee or designees substitute notes and security instruments in such principal amounts, aggregating not more than the then unpaid principal amount of this Mortgage, and containing terms, provisions and clauses the same as those contained herein and in the Note, and such other documents and instruments as were previously signed in connection with the Loan so long as such documents contain the same terms as were contained in the prior documents.

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Section 5.5 Replacement Documents. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any other Loan Document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of such Note or other Loan Document, Borrower will issue, in lieu thereof, a replacement Note or other Loan Document, dated the date of such lost, stolen, destroyed or mutilated Note or other Loan Document in the same principal amount thereof and otherwise of like tenor.

Article 6 - DUE ON SALE/ENCUMBRANCE

Section 6.1 Lender Reliance. Borrower acknowledges that Lender has examined and relied on the experience of Borrower and its general partners, members, principals and (if Borrower is a trust) beneficial owners in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Borrower's ownership of the Property as a means of maintaining the value of the Property as security for repayment of the Debt and the performance of the Other Obligations. Borrower acknowledges that Lender has a valid interest in maintaining the value of the Property so as to ensure that, should Borrower default in the repayment of the Debt or the performance of the Other Obligations, Lender can recover the Debt by a foreclosure of the Property.

Section 6.2 No Sale/Encumbrance. Borrower agrees that Borrower shall not, without the prior written consent of Lender, sell, convey, mortgage, grant, bargain, encumber, pledge, assign, or otherwise transfer the Property or any part thereof or permit the Property or any part thereof to be sold, conveyed, mortgaged, granted, bargained, encumbered, pledged, assigned, or otherwise transferred, unless Lender shall consent thereto in accordance with Section 6.4 hereof.

Section 6.3 Sale/Encumbrance Defined. A sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer within the meaning of this Article 6 shall be deemed to include, but not be limited to, (a) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; (b) an agreement by Borrower leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents; (c) the voluntary or involuntary sale, conveyance, transfer or pledge of the stock of the general partner of Borrower (or the stock of any corporation directly or indirectly controlling such general partner by operation of law or otherwise) or the creation or issuance of new stock by which an aggregate of more than ten percent (10%) of such general partner's stock shall be vested in a party or parties who are not now stockholders; (d) the voluntary or involuntary sale, conveyance, transfer or pledge of any general or limited partnership interest in Borrower directly or indirectly; (e) if Borrower, any general partner of Borrower, any guarantor or any indemnitor is a limited liability company, the change, removal or resignation of a member or managing member or the transfer or pledge of the interest of any member or managing member or any profits or proceeds relating to such interest; or (f) any other transfer prohibited by the terms of the Loan Agreement. The foregoing restrictions shall not apply to (i) the issuance,

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sale or pledge of publicly or privately traded shares in any entity whose shares are traded over a national security exchange or (ii) the issuance, transfer or pledge of partnership interests in Prime Group Realty, L.P. ("**PGRLP**"), provided that, after giving effect to any such issuance, transfer or pledge, Prime Group Realty Trust ("**PGRT**") is the managing general partner of PGRLP and, if more than forty-nine percent (49%) in the aggregate of the interests in PGRLP are owned by Persons other than PGRT or have been pledged, any such issuance, transfer or pledge shall be conditioned upon (A) payment of all of Lender's reasonable expenses incurred in connection therewith; (B) the confirmation in writing by the applicable Rating Agencies that the proposed issuance, transfer or pledge will not, in and of itself, result in a downgrade, qualification or withdrawal of the then current ratings assigned in connection with any Securitization; and (C) the delivery of a nonconsolidation opinion reflecting the proposed issuance, transfer or pledge in a commercially reasonable form and substance and subject to customary qualifications satisfactory to the Rating Agencies and to Lender.

Section 6.4 Lender's Rights. Lender reserves the right to condition the consent required hereunder upon (a) an assumption of the Loan Agreement, the Note, this Mortgage and the other Loan Documents by the proposed transferee, subject to the provisions of Section 9.4 of the Loan Agreement; (b) payment of all of Lender's reasonable expenses incurred in connection with such transfer; (c) the confirmation in writing by the applicable Rating Agencies that the proposed transfer will not, in and of itself, result in a downgrade, qualification or withdrawal of the then current ratings assigned in connection with any Securitization; (d) the delivery of a nonconsolidation opinion reflecting the proposed transfer in a commercially reasonable form and substance and subject to customary qualifications satisfactory to the Rating Agencies and to Lender; and (e) the proposed transferee's continued compliance with the representations and covenants set forth in Section 4.1.30 and 5.2.12 of the Loan Agreement. In addition, any such transferee shall be a single purpose bankruptcy-remote entity which satisfies Lender's underwriting standards as utilized in the transaction described herein. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon Borrower's sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer of the Property without Lender's consent. This provision shall apply to every sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer of the Property, except those permitted under this Article 6 without Lender's consent, regardless of whether voluntary or not, or whether or not Lender has consented to any previous sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer of the Property.

Article 7 - RIGHTS AND REMEDIES UPON DEFAULT

Section 7.1 Remedies. Upon the occurrence and during the continuance of any Event of Default, Borrower agrees that Lender may take such action, without notice or demand, except as required by law or by the Loan Documents, as it deems advisable (provided same is permitted under the Loan Documents or applicable law and subject to the limitation on liability set forth in the Loan Documents) to protect and enforce its rights against Borrower and in and to the Property, including, but not limited to, the following actions, each of which

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may be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender:

- (a) declare the entire unpaid Debt to be immediately due and payable;
- (b) institute proceedings, judicial or otherwise, for the complete foreclosure of this Mortgage under any applicable provision of law, in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;
- (c) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Mortgage for the balance of the Debt not then due, unimpaired and without loss of priority;
- (d) Intentionally Omitted;
- (e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, the Loan Agreement or in the other Loan Documents;
- (f) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Mortgage or the other Loan Documents;
- (g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Borrower, any guarantor, indemnitor with respect to the Loan or of any Person, liable for the payment of the Debt;
- (h) the license granted to Borrower under Section 1.2 hereof shall automatically be revoked until all defaults are cured or waived (and such license shall then be reinstated) and Lender may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Borrower and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Borrower and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Borrower agrees to surrender possession of the Property and of such books, records and accounts to Lender upon demand, and thereupon Lender may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (ii) complete any construction on the Property in such manner and form as Lender in good faith determines are necessary to maintain the value thereof; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property as Lender in good faith determines are necessary to maintain the value thereof; (iv) exercise all rights and powers of Borrower with respect to the Property,

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whether in the name of Borrower or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Borrower to surrender possession of the Property, subject to the Leases, to Lender or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise; and (vi) apply the receipts from the Property to the payment of the Debt, in such order, priority and proportions as Lender shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, insurance and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Lender, its counsel, agents and employees;

(i) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Fixtures, the Equipment, the Personal Property or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Fixtures, the Equipment, the Personal Property; and (ii) request Borrower at its expense to assemble the Fixtures, the Equipment, the Personal Property and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Fixtures, the Equipment, the Personal Property sent to Borrower in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall constitute commercially reasonable notice to Borrower;

(j) apply any sums then deposited or held in escrow or otherwise by or on behalf of Lender in accordance with the terms of the Loan Agreement, this Mortgage or any other Loan Document to the payment of the following items in any order in its uncontrolled discretion:

- (i) Taxes and Other Charges;
- (ii) Insurance Premiums;
- (iii) Interest on the unpaid principal balance of the Note;
- (iv) Amortization of the unpaid principal balance of the Note;
- (v) All other sums payable pursuant to the Note, the Loan Agreement, this Mortgage and the other Loan Documents, including without limitation advances made by Lender pursuant to the terms of this Mortgage;

(k) pursue such other remedies as Lender may have under applicable law subject to the limitation on liability provisions set forth in the Loan Documents; or

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In the event of a sale, by foreclosure, of less than all of Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 7.2 Application of Proceeds. The purchase money, proceeds and avails of any disposition of the Property, and or any part thereof, or any other sums collected by Lender pursuant to the Note, this Mortgage or the other Loan Documents, may be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper.

Section 7.3 Right to Cure Defaults. Upon the occurrence and during the continuance of any Event of Default or if Borrower fails to make any payment or to do any act as herein provided Lender may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, make or do the same in such manner and to such extent as Lender may deem necessary to protect the security hereof. Upon occurrence and during the continuance of an Event of Default, Lender is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Mortgage or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 7.3, shall constitute a portion of the Debt and shall be due and payable to Lender upon demand. All such costs and expenses incurred by Lender in remedying such Event of Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate, for the period after notice from Lender that such cost or expense was incurred to the date of payment to Lender. All such costs and expenses incurred by Lender together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debt and be secured by this Mortgage and the other Loan Documents and shall be immediately due and payable upon demand by Lender therefor.

Section 7.4 Actions and Proceedings. Lender has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Borrower either after the occurrence of Event of Default or when necessary under applicable law, which Lender, in its discretion, decides should be brought to protect its interest in the Property.

Section 7.5 Recovery of Sums Required To be Paid. Lender shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Lender thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Borrower existing at the time such earlier action was commenced.

Section 7.6 Examination of Books and Records. At reasonable times and upon reasonable notice, Lender, its agents, accountants and attorneys shall have the right to examine the records, books, management and other papers of Borrower which reflect upon their

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financial condition, at the Property or at any office regularly maintained by Borrower where the books and records are located. Lender and its agents shall have the right to make copies and extracts from the foregoing records and other papers. In addition, at reasonable times and upon reasonable notice, Lender, its agents, accountants and attorneys shall have the right to examine and audit the books and records of Borrower pertaining to the income, expenses and operation of the Property during reasonable business hours at any office of Borrower where the books and records are located. This Section 7.6 shall apply throughout the term of the Note and without regard to whether an Event of Default has occurred or is continuing.

Section 7.7 Other Rights, Etc. (a) The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Borrower shall not be relieved of Borrower's obligations hereunder by reason of (i) the failure of Lender to comply with any request of Borrower or any guarantor or indemnitor with respect to the Loan to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Debt or any portion thereof, or (iii) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Mortgage or the other Loan Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Borrower, and Lender shall have no liability whatsoever for decline in value of the Property, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Lender shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Property or collateral not in Lender's possession.

(c) Lender may resort for the payment of the Debt to any other security held by Lender in connection with this Loan in such order and manner as Lender, in its discretion, may elect. Lender may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to foreclose this Mortgage. The rights of Lender under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Lender shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity, but in all cases such rights and remedies shall be subject to the limitation on liability set forth in the Loan Documents.

Section 7.8 Right to Release Any Portion of the Property. Lender may release any portion of the Property for such consideration as Lender may require without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Lender for such release, and may accept by assignment,

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pledge or otherwise any other property in place thereof as Lender may require without being accountable for so doing to any other lienholder. This Mortgage shall continue as a lien and security interest in the remaining portion of the Property.

Section 7.9 Violation of Laws. If the Property is not in material compliance with Legal Requirements, Borrower shall take reasonable steps to put the Property in material compliance, subject to Borrower's right to contest the applicability of such Legal Requirements to Borrower and the Property.

Section 7.10 Right of Entry. Upon reasonable notice to Borrower, Lender and its agents shall have the right to enter and inspect the Property at all reasonable times.

Article 8 - ENVIRONMENTAL HAZARDS

Section 8.1 Environmental Representations and Warranties. Based upon an environmental assessment of the Property and information that Borrower knows after due inquiry of the Manager, and except as otherwise disclosed by that certain Phase I environmental report (or Phase I environmental report, if required) in respect of the Property delivered to Lender, a copy of which has been provided to Lender (referred to below as the "Environmental Report"). (a) there are no Hazardous Substances (defined below) or underground storage tanks in, on, or under the Property, except those that are both (i) in material compliance with applicable present Environmental Laws (defined below) and with permits issued pursuant thereto and (ii) fully disclosed to Lender in writing pursuant the Environmental Report; (b) to the best of Borrower's knowledge, there are no past, present or threatened Releases (defined below) of Hazardous Substances in, on, under or from the Property which have not been remediated in accordance with present Environmental Law; (c) to the best of Borrower's knowledge, there is no threat of any Release of Hazardous Substances migrating to the Property; (d) to the best of Borrower's knowledge, there is no past or present non-compliance with present Environmental Laws, or with permits issued pursuant thereto, in connection with the Property which has not been fully remediated in accordance with present Environmental Law; (e) Borrower does not know of, and has not received, any written or oral notice or other communication from any Person (including but not limited to a governmental entity) relating to Remediation (defined below) thereof, of possible liability of any Person pursuant to any present Environmental Law, or any actual or potential administrative or judicial proceedings in connection with any of the foregoing; and (f) Borrower has truthfully and fully provided to Lender, in writing, any and all information relating to Hazardous Substances in, on, under or from the Property and/or to the breach of present Environmental Law concerning the Property.

"Environmental Law" means any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, relating to protection of human health or the environment, relating to Hazardous Substances, relating to liability for or costs of Remediation or prevention of Releases of Hazardous Substances or relating to liability for or costs of other actual or threatened danger to human health or the environment. Environmental Law includes, but is not limited to, the following statutes, as

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amended, any successor thereto, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, regulations and the like addressing similar issues: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Act; the Resource Conservation and Recovery Act (including but not limited to Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; the National Environmental Policy Act; and the River and Harbors Appropriation Act. Environmental Law also includes, but is not limited to, any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law: conditioning transfer of property upon a negative declaration or other approval of a governmental authority of the environmental condition of the Property; requiring notification or disclosure of Releases of Hazardous Substances or other environmental condition of the Property to any governmental authority or other Person, whether or not in connection with transfer of title to or interest in property; imposing conditions or requirements in connection with permits or other authorization for lawful activity concerning the environment; relating to nuisance, trespass or other causes of action related to breaches of Environmental Laws concerning the Property.

"Hazardous Substances" include but are not limited to any and all substances (whether solid, liquid or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Laws, including but not limited to petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, radioactive materials, flammables and explosives, but excluding substances of kinds and in amounts ordinarily and customarily used or stored in similar properties for the purpose of copying, cleaning or other maintenance or operations and otherwise in compliance with all Environmental Laws.

"Release" of any Hazardous Substance includes but is not limited to any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances.

"Remediation" includes but is not limited to any response, remedial, removal, or corrective action, any activity to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Substance, any actions to prevent, cure or mitigate any Release of any Hazardous Substance, any action to comply with any Environmental Laws or with any permits issued pursuant thereto, any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or evaluation relating to any Hazardous Substances.

Section 8.2 Environmental Covenants. Borrower covenants and agrees that:
(a) all uses and operations on or of the Property, whether by Borrower or any other Person

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affiliated with Borrower, shall be in compliance with all applicable present Environmental Laws and permits issued pursuant thereto; (b) there shall be no Releases of Hazardous Substances in, on, under or from the Property in violation of applicable Environmental Laws; (c) there shall be no Release of Hazardous Substances in, on or under the Property, except those that are in compliance with all Environmental Laws and with permits issued pursuant thereto; (d) Borrower shall keep the Property free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law (or contest same in good faith, and deposit with Lender such security as Lender may reasonably require), whether due to any act or omission of Borrower or any other Person (the "Environmental Liens"); (e) Borrower shall, at its sole cost and expense, fully and expeditiously cooperate in all activities pursuant to Section 8.3 below, including but not limited to providing all relevant information and making knowledgeable persons available for interviews; (f) Borrower shall, at its sole cost and expense, perform any environmental site assessment or other investigation of environmental conditions in connection with the Property, pursuant to any reasonable written request of Lender made in the event that Lender has reason to believe that an environmental hazard exists on the Property (including but not limited to sampling, testing and analysis of soil, water, air, building materials and other materials and substances whether solid, liquid or gas), and share with Lender the reports and other results thereof, and Lender and other Indemnified Parties shall be entitled to rely on such reports and other results thereof; provided that Lender shall not request any such assessment or investigation more frequently than once during any calendar year unless (i) Lender has a reasonable basis to believe that Hazardous Substances are present at the Property in violation of any applicable Environmental Law to the extent required by applicable Environmental Laws or (ii) Lender has accelerated the Loan; (g) Borrower shall, at its sole cost and expense, comply with all reasonable written requests of Lender to effectuate Remediation of any condition (including but not limited to a Release of a Hazardous Substance) in, on, under or from the Property in violation of applicable Environmental Law; (ii) comply with any Environmental Law; (iii) comply with any directive from any governmental authority; and (iv) take any other reasonable action necessary or appropriate for protection of human health or the environment to the extent required by applicable Environmental Laws; (h) Borrower shall not do or allow any tenant or other user of the Property to do any act that materially increases the dangers to human health or the environment, poses an unreasonable risk of harm to any Person (whether on or off the Property) due to an environmental condition in violation of applicable Environmental Laws, materially impairs or may impair the value of the Property, is contrary to any requirement of any insurer, constitutes a public or private nuisance, constitutes waste, or violates any covenant, condition, agreement or easement applicable to the Property due to an environmental condition in violation of applicable Environmental Laws; and (i) Borrower shall immediately notify Lender in writing of (A) any presence or Releases or threatened Releases of Hazardous Substances in, on, under, from or migrating towards the Property in violation of Environmental Laws; (B) any non-compliance with any Environmental Laws related in any way to the Property; (C) any actual or potential Environmental Lien; (D) any required or proposed Remediation of environmental conditions relating to the Property; and (E) any written or oral notice or other communication of which Borrower becomes aware from any source whatsoever (including but not limited to a governmental entity) relating in any way to the remediation of Hazardous Substances, possible

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liability of any Person pursuant to any Environmental Law, or any actual or potential administrative or judicial proceedings in connection with anything referred to in this Article 8.

Section 8.3 Lender's Rights. In the event that Lender has reason to believe that a material violation of an Environmental Law exists on the Property, upon reasonable notice from Lender, Borrower shall, at Borrower's expense, promptly cause an engineer or consultant satisfactory to Lender to conduct any environmental assessment or audit (the scope of which shall be determined in Lender's reasonable discretion) and take any samples of soil, groundwater or other water, air, or building materials or any other invasive testing requested by Lender and promptly deliver the results of any such assessment, audit, sampling or other testing; provided, however, if such results are not delivered to Lender within a reasonable period, upon reasonable notice to Borrower, Lender and any other Person designated by Lender, including but not limited to any receiver, any representative of a governmental entity, and any environmental consultant, shall have the right, but not the obligation, to enter upon the Property at all reasonable times to assess any and all aspects of the environmental condition of the Property and its use, including but not limited to conducting any environmental assessment or audit (the scope of which shall be determined in Lender's reasonable discretion) and taking samples of soil, groundwater or other water, air, or building materials, and reasonably conducting other invasive testing. Borrower shall cooperate with and provide access to Lender and any such Person designated by Lender.

Article 9 - INDEMNIFICATION

Section 9.1 General Indemnification. Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, of whatever kind or nature (including but not limited to reasonable attorneys' fees and other costs of defense) (collectively, the "Losses") imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) ownership of this Mortgage, the Property or any interest therein or receipt of any Rents; (b) any amendment to, or restructuring of, the Debt, and the Note, the Loan Agreement, this Mortgage, or any other Loan Documents requested or agreed to by Borrower; (c) any and all lawful action that may be taken by Lender in connection with the enforcement of the provisions of this Mortgage or the Loan Agreement or the Note or any of the other Loan Documents, whether or not suit is filed in connection with same, or in connection with Borrower, any guarantor or indemnitor and/or any partner, joint venturer or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding; (d) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (e) any use, nonuse or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (f) any failure on the part of Borrower to perform or be in material compliance with any of the terms of this

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Mortgage after the expiration of any applicable cure periods; (g) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (h) any failure of the Property to be in material compliance with any Legal Requirements; (i) the enforcement by any Indemnified Party of the provisions of this Article 9; (j) any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any Lease prior to the date Lender acquires title to the Property; (k) the payment of any commission, charge or brokerage fee to anyone claiming through Borrower which may be payable in connection with the funding of the Loan; or (m) any misrepresentation made by Borrower in this Mortgage or any other Loan Document which has a material adverse effect on the Property or Borrower. Notwithstanding the foregoing, Borrower shall not be liable to the Indemnified Parties under this Section 9.1 for any Losses to which the Indemnified Parties may become subject to the extent such Losses arise by reason of the gross negligence, illegal acts, fraud or willful misconduct of the Indemnified Parties. Any amounts payable to Lender by reason of the application of this Section 9.1 shall become due and payable within 10 days after demand and shall bear interest at the Default Rate from the date loss or damage is sustained by Lender until paid. For purposes of this Article 9, the term "Indemnified Parties" means Lender, any Person who is or will have been involved in the servicing of the Loan secured hereby, any Person in whose name the encumbrance created by this Mortgage is or will have been recorded, persons and entities who may hold or acquire or will have held a full or partial interest in the Loan secured hereby (including, but not limited to, investors or prospective investors in the Securities, as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan secured hereby for the benefit of third parties) as well as the respective directors, officers, shareholders, partners, employees, agents, representatives, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including but not limited to any other Person who holds or acquires or will have held a participation or other full or partial interest in the Loan, whether during the term of the Loan or as a part of or following a foreclosure of the Loan and including, but not limited to, any successors by merger, consolidation or acquisition of all or a substantial portion of Lender's assets and business).

Section 9.2 Mortgage and/or Intangible Tax. Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any tax on the making and/or recording of this Mortgage, the Note or any of the other Loan Documents, but excluding any income, franchise or other similar taxes.

Section 9.3 ERISA Indemnification. Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses (including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense, and settlement of Losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA that may be required, in Lender's sole

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discretion) that Lender may incur, directly or indirectly, as a result of a default under Sections 4.1.9 or 5.2.12 of the Loan Agreement.

Section 9.4 Environmental Indemnification. Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses and costs of Remediation (whether or not performed voluntarily), engineers' fees, environmental consultants' fees, and costs of investigation (including but not limited to sampling, testing, and analysis of soil, water, air, building materials and other materials and substances whether solid, liquid or gas) imposed upon or incurred by or asserted against any Indemnified Parties, and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) any presence of any Hazardous Substances in, on, above, or under the Property in violation of Environmental Laws; (b) any past, present or threatened Release of Hazardous Substances in, on, above, under or from the Property in violation of Environmental Laws; (c) any activity by Borrower, any Person affiliated with Borrower or any tenant or other user of the Property in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Hazardous Substances at any time located in, under, on or above the Property; (d) any activity by Borrower, any Person affiliated with Borrower or any tenant or other user of the Property in connection with any actual or proposed Remediation of any Hazardous Substances at any time located in, under, on or above the Property in violation of Environmental Laws, whether or not such Remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal, remedial or corrective action; (e) any past or present non-compliance or violations of any Environmental Laws (or permits issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including but not limited to any failure by Borrower, any Affiliate of Borrower or any tenant or other user of the Property to comply with any order of any Governmental Authority in connection with any Environmental Laws; (f) the imposition, recording or filing of any Environmental Lien encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings in any way connected with any matter addressed in Article 8 and this Section 9.4; (h) any past, present or threatened injury to, destruction of or loss of natural resources in any way connected with Hazardous Substances at the Property, including but not limited to costs to investigate and assess such injury, destruction or loss; (i) any acts of Borrower or other users of the Property in arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of Hazardous Substances owned or possessed by such Borrower or other users, at any facility or incineration vessel owned or operated by another Person and containing such or any similar Hazardous Substance; (j) any acts of Borrower or other users of the Property, in accepting any Hazardous Substances for transport to disposal or treatment facilities, incineration vessels or sites selected by Borrower or such other users, from which there is a Release, or a threatened Release of any Hazardous Substance which causes the incurrence of costs for Remediation; and (k) any material misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to Article 8. Notwithstanding the foregoing, Borrower shall not be liable under this Section 9.4 for any Losses or costs of Remediation to which the Indemnified Parties

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may become subject to the extent such Losses or costs of Remediation arise by reason of the gross negligence, illegal acts, fraud or willful misconduct of the Indemnified Parties. This indemnity shall survive any termination, satisfaction or foreclosure of this Mortgage, subject to the provisions of Section 10.5.

Section 9.5 Duty to Defend; Attorneys' Fees and Other Fees and Expenses. Upon written request by any Indemnified Party, Borrower shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals approved by the Indemnified Parties which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, if the defendants in any such claim or proceeding include both Borrower and any Indemnified Party and Borrower and such Indemnified Party shall have reasonably concluded that there are any legal defenses available to it and/or other Indemnified Parties that are different from or additional to those available to Borrower, such Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Party, provided that no compromise or settlement shall be entered without Borrower's consent, which consent shall not be unreasonably withheld. Upon demand, Borrower shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

Article 10 - WAIVERS

Section 10.1 Waiver of Counterclaim. To the extent permitted by applicable law, Borrower hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Lender arising out of or in any way connected with this Mortgage, the Loan Agreement, the Note, any of the other Loan Documents, or the Obligations.

Section 10.2 Marshalling and Other Matters. To the extent permitted by applicable law, Borrower hereby waives, to the extent permitted by law, the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Borrower, and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date of this Mortgage and on behalf of all persons to the extent permitted by applicable law.

Section 10.3 Waiver of Notice. To the extent permitted by applicable law, Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Mortgage or any of the Loan Documents specifically and expressly provides for the giving of notice by Lender to Borrower and except with respect to matters for which Lender is required by applicable law to give notice, and Borrower hereby

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expressly waives the right to receive any notice from Lender with respect to any matter for which this Mortgage or any of the Loan Documents does not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section 10.4 Waiver of Statute of Limitations. To the extent permitted by applicable law, Borrower hereby expressly waives and releases to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to payment of the Debt or performance of its Other Obligations.

Section 10.5 Survival. The indemnifications made pursuant to Sections 9.3 and 9.4 herein and the representations and warranties, covenants, and other obligations arising under Article 8, shall continue indefinitely in full force and effect and shall survive and shall in no way be impaired by: any satisfaction or other termination of this Mortgage, any assignment or other transfer of all or any portion of this Mortgage or Lender's interest in the Property (but, in such case, shall benefit both Indemnified Parties and any assignee or transferee), any exercise of Lender's rights and remedies pursuant hereto including but not limited to foreclosure or acceptance of a deed in lieu of foreclosure, any exercise of any rights and remedies pursuant to the Loan Agreement, the Note or any of the other Loan Documents, any transfer of all or any portion of the Property (whether by Borrower or by Lender following foreclosure or acceptance of a deed in lieu of foreclosure or at any other time), any amendment to this Mortgage, the Loan Agreement, the Note or the other Loan Documents, and any act or omission that might otherwise be construed as a release or discharge of Borrower from the obligations pursuant hereto. Notwithstanding anything to the contrary contained in this Mortgage or the other Loan Documents, Borrower shall not have any obligations or liabilities under the indemnification under Section 9.4 herein or other indemnifications with respect to Hazardous Substances or Environmental Laws or matters contained in the other Loan Documents to the extent of those obligations and liabilities that arose solely from Hazardous Substances or violation of Environmental Laws that (i) were not present on or a threat to the Property prior to the date that Lender or its nominee or purchaser as of foreclosing sale acquired title to the Property, whether by foreclosure, exercise by power of sale, acceptance of a deed-in-lieu of foreclosure or otherwise and (ii) were not the result of any act or negligence of Borrower or any of Borrower's affiliates, agents or contractors.

Article 11 - EXCULPATION

The provisions of Section 9.4 of the Loan Agreement are hereby incorporated by reference into this Mortgage to the same extent and with the same force as if fully set forth herein.

Article 12 - NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 10.6 of the Loan Agreement.

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Article 13 - APPLICABLE LAW

Section 13.1 GOVERNING LAW. (A) THIS MORTGAGE WAS ACCEPTED BY LENDER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE SECURED HEREBY WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND EXCEPT AS OTHERWISE PROVIDED HEREIN IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS MORTGAGE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS WITH RESPECT TO THE PROPERTY SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS, AND THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(B) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS MORTGAGE MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING.

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(C) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION 13.1, ANY ACTION TO ENFORCE OR FORECLOSE THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS SHALL BE INSTITUTED IN THE STATE IN WHICH THE PROPERTY IS LOCATED.

Section 13.2 Usury Laws. Notwithstanding anything to the contrary, (a) all agreements and communications between Borrower and Lender are hereby and shall automatically be limited so that, after taking into account all amounts deemed interest, the interest contracted for, charged or received by Lender shall never exceed the maximum lawful rate or amount, (b) in calculating whether any interest exceeds the lawful maximum, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Borrower to Lender, and (c) if through any contingency or event, Lender receives or is deemed to receive interest in excess of the lawful maximum, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Borrower to Lender, or if there is no such indebtedness, shall immediately be returned to Borrower.

Section 13.3 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of the term shall not be affected thereby.

Article 14 - DEFINITIONS

All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage may be used interchangeably in singular or plural form and the word "**Borrower**" shall mean "each Borrower and any subsequent owner or owners of the Property or any part thereof or any interest therein," the word "**Lender**" shall mean "Lender and any subsequent holder of the Note," the word "**Note**" shall mean "the Note and any other evidence of indebtedness secured by this Mortgage," the word "**Property**" shall include any portion of the Property and any interest therein, and the phrases "**attorneys' fees**", "**legal fees**" and "**counsel fees**" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Lender in protecting its interest in the Property, the Leases and the Rents and enforcing its rights hereunder.

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Article 15 - MISCELLANEOUS PROVISIONS

Section 15.1 No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 15.2 Successors and Assigns. This Mortgage shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever.

Section 15.3 Inapplicable Provisions. If any term, covenant or condition of the Loan Agreement, the Note or this Mortgage is held to be invalid, illegal or unenforceable in any respect, the Loan Agreement, the Note and this Mortgage shall be construed without such provision.

Section 15.4 Headings, etc. The headings and captions of various Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 15.5 Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 15.6 Subrogation. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Lender shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, the performance and discharge of Borrower's obligations hereunder, under the Loan Agreement, the Note and the other Loan Documents and the performance and discharge of the Other Obligations.

Section 15.7 Entire Agreement. The Note, the Loan Agreement, this Mortgage and the other Loan Documents constitute the entire understanding and agreement between Borrower and Lender with respect to the transactions arising in connection with the Debt and supersede all prior written or oral understandings and agreements between Borrower and Lender with respect thereto. Borrower hereby acknowledges that, except as incorporated in writing in the Note, the Loan Agreement, this Mortgage and the other Loan Documents, there are not, and were not, and no persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Note, the Loan Agreement, this Mortgage and the other Loan Documents.

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Section 15.8 Limitation on Lender's Responsibility. No provision of this Mortgage shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Lender, nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession."

Article 16 - STATE-SPECIFIC PROVISIONS

Section 16.1 Principals Of Construction. In the event of any inconsistencies between the terms and conditions of this Article 16 and the terms and conditions of this Mortgage, the terms and conditions of this Article 16 shall control and be binding.

Section 16.2 Fixture Filing. This Mortgage is hereby entitled "Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing". The following legend is hereby added to the first page hereof:

"THIS INSTRUMENT IS EFFECTIVE AND SHALL REMAIN EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING WITH RESPECT TO ALL GOODS WHICH ARE OR ARE TO BECOME FIXTURES ON THE REAL ESTATE HEREIN DESCRIBED AND IS TO BE FILED FOR RECORD OR REGISTERED IN THE REAL ESTATE RECORDS OF COOK COUNTY, ILLINOIS. THE MAILING ADDRESS OF LENDER AND THE ADDRESS OF BORROWER ARE SET FORTH WITHIN. A PHOTOGRAPHIC OR OTHER REPRODUCTION OF THIS INSTRUMENT OR ANY FINANCING STATEMENT RELATING TO THIS INSTRUMENT SHALL BE SUFFICIENT AS A FINANCING STATEMENT."

Section 16.3 Maturity Date. In the first "WHEREAS" provision on page 1 hereof, the following is hereby inserted after the words "(such Note, together with all extensions, renewals, replacements, restatements or modifications thereof being hereinafter referred to as the "Note")":

"which Note provides, among other things, for final payment of principal and interest under the Note, if not sooner paid or payable as provided therein, to be due on September 1, 1999;"

Section 16.4 Maximum Amount Secured Hereby. The following is hereby inserted at the end of Section 2.3:

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“, provided, however, that the indebtedness secured hereby shall in no event exceed an amount equal to three hundred percent (300%) of the face amount of the Note.”

Section 16.5 Waiver of Statutory Rights. Borrower hereby waives, to the extent now or hereafter permitted by law, all rights of redemption and reinstatement of this Mortgage pursuant to the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15 1101 et seq. (“IMFL”), on behalf of itself and all those taking by, through or under Borrower.

Section 16.6 Compliance with Illinois Mortgage Foreclosure Law. In the event that any provision of this Mortgage shall be inconsistent with any provision of IMFL, the provisions of IMFL shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with IMFL. If any provision of this Mortgage shall grant to Lender any rights or remedies upon any Event of Default by Borrower which are more limited than the rights that would otherwise be vested in Lender under IMFL in the absence of said provision, Lender shall be vested with the rights granted in IMFL to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under IMFL, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in this Mortgage, shall be added to the Debt secured by this Mortgage or by the judgment of foreclosure.

Section 16.7 Illinois Responsible Property Transfer Act. Borrower covenants and agrees that, if the disclosure requirements of the Illinois Responsible Property Transfer Act, 765 ILCS 90/1 et seq. (“RPTA”), apply to the loan transaction contemplated by this Mortgage, Borrower will comply with RPTA and will timely execute and deliver to Lender such disclosure documents as may be required by RPTA. Borrower agrees to place of record simultaneously with the recording of this Mortgage, any disclosure statement furnished to Lender pursuant to this paragraph and also to file simultaneously therewith a true and correct copy of said disclosure statement with the Illinois Environmental Protection Agency, as and if required by applicable law.

Section 16.8 Financing Statement. This Mortgage also constitutes a financing statement for the purpose of Section 9-402 of the Illinois Uniform Commercial Code (Illinois Revised Statutes, Section 26) and shall constitute a “fixture filing” under such statutes and shall be filed in the real estate records of Cook County, Illinois.

(1) Name of Debtor: 77 West Wacker Limited Partnership
Debtor's Mailing Address: 77 West Wacker Drive
Suite 3900
Chicago, Illinois 60601
Address of Property: 77 West Wacker Drive
Chicago, Illinois

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Name of Secured Party: Lehman Brothers Holdings Inc.

Address of Secured Party: Three World Financial Center
New York, New York 10281

(2) This financing statement covers the following types or items of property: the property described in this instrument, and all other items of personal property now or at any time hereafter owned by Borrower and used in connection with the Property.

(3) Some of the above goods are or are to become fixtures on the real property described herein. Borrower is the record owner of the real property described herein upon which the foregoing fixtures and other items and types of property are located."

Section 16.9 Use of Loan Proceeds. Borrower covenants and agrees that all of the proceeds of the Note secured by this Mortgage will be used solely for business purposes and in furtherance of the regular business affairs of Borrower, and the entire principal obligation secured hereby constitutes: (a) a "business loan" as that term is defined in, and for all purposes of, the Illinois Interest Act Section 815 ILCS 205/4(1)(e); and (b) "a loan secured by a mortgage on real estate" within the purview and operation of Section 815 ILCS 205/4(1)(l).

Section 16.10 Usury. All agreements between Borrower and Lender (including, without limitation, those contained in this Mortgage, the Note and any other Loan Documents) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Lender exceed the highest lawful rate of interest permissible under the laws of the State of Illinois. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Note or any other documents securing the Debt, at the time performance of such provision shall be due, shall involve the payment of interest exceeding the highest rate of interest permitted by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under the laws of the State of Illinois; and if for any reason whatsoever, Lender shall ever receive as interest an amount which would be deemed unlawful, such interest shall be applied to the payment of the last maturing installment or installments of the indebtedness secured hereby (whether or not then due and payable) and not to the payment of interest.

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IN WITNESS WHEREOF, THIS MORTGAGE has been executed by Borrower
as of the day and year first above written.

77 WEST WACKER LIMITED PARTNERSHIP,
an Illinois limited partnership

By: PRIME GROUP REALTY, L.P.
a Delaware limited partnership,
its Managing General Partner

By: PRIME GROUP REALTY TRUST,
a Maryland real estate investment trust,
its Managing General Partner



By: _____
Name: Louis G. Conforti
Title: Senior Vice President

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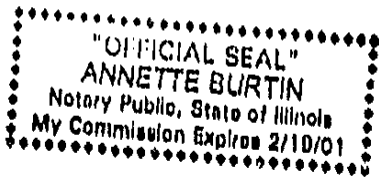
ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, Annette Burtin a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Louis G. Conforti, Sr. V.P. of Prime Group Realty Trust, a Maryland real estate investment trust, the managing general partner of Prime Group Realty, L.P., a Delaware limited partnership, the managing general partner of 77 West Wacker Limited Partnership, an Illinois limited partnership, personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial Seal this 30th day of September, 1998.

Annette Burtin
Notary Public



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47

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EXHIBIT A

A. FEE SIMPLE AS TO PARCELS 1, 2, AND 4; SAID PARCELS 1, 2, AND 4 BEING DESCRIBED AS FOLLOWS:

PARCEL 1:

LOT 3 (EXCEPT THE EAST 20.50 FEET THEREOF); TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF SAID LOT 3 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

AND

LOTS 1 TO 9, BOTH INCLUSIVE, IN THE SUBDIVISION OF LOT 4; TOGETHER WITH THE NORTH 1.50 FEET OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF SAID SUBDIVISION OF LOT 4 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE WEST 1/2 OF NORTH GARVEY COURT (SAID NORTH GARVEY COURT BEING THE WEST 1/2 OF LOT 2 AND THE EAST 20.50 FEET OF LOT 3; TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF THE AFORESAID PARTS OF LOTS 2 AND 3, THE SOUTH LINE OF SAID 1.00 FOOT STRIP, BEING THE NORTH LINE OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852) LYING ABOVE AN INCLINED PLANE HAVING AN ELEVATION OF +17.26 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF BLOCK 17 AND HAVING AN ELEVATION OF +21.23 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE ALL IN BLOCK 17, (AS VACATED BY THE CITY OF CHICAGO IN AN ORDINANCE PASSED MARCH 21, 1990 AND RECORDED APRIL 11, 1990 AS DOCUMENT 90164868), IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

THAT PART OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852; TOGETHER WITH THE SOUTH 1.50 FEET OF THE ORIGINAL 18-FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 1 IN THE AESSOR'S DIVISION OF LOT 5 IN BLOCK 17; ALSO, THE SOUTH 1.00 FOOT OF SAID ORIGINAL 18-FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 6 IN BLOCK 17, ALL TAKEN AS ONE TRACT, LYING WEST OF THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 20.50 FEET OF LOT 3 IN SAID BLOCK 17 AND LYING EAST OF THE WEST LINE OF BLOCK 17 AND ITS EXTENSIONS,

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(AS VACATED BY THE CITY OF CHICAGO IN AN ORDINANCE PASSED MARCH 21, 1990 AND RECORDED APRIL 11, 1990 AS DOCUMENT 90164868) IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

B. THE LEASEHOLD ESTATE (SAID LEASEHOLD ESTATE BEING DEFINED IN PARAGRAPH 1(H) OF THE CONDITIONS AND STIPULATIONS OF THE POLICY), CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE LEASE, EXECUTED BY: AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 26, 1985 AND KNOWN AS TRUST NUMBER 66121, AS LESSOR, AND 77 WEST WACKER LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, AS LESSEE, DATED MARCH 7, 1991, WHICH LEASE WAS RECORDED MARCH 18, 1991 AS DOCUMENT 91119735 WHICH DEMISED PARCEL 7 FOR A TERM OF YEARS AS SET FORTH THEREIN, AND DEMISES THE "APPURTENANT RIGHTS" SET FORTH IN PARCEL 8 OF EXHIBIT 'B' TO SAID LEASE OVER PARCEL 10 FOR SAID TERM, SAID PARCELS 7 AND 10 BEING DESCRIBED AS FOLLOWS:

PARCEL 7:

THE PROPERTY AND SPACE WHICH LIES BETWEEN HORIZONTAL PLANES WHICH ARE +50.63 FEET AND +80.63 FEET, RESPECTIVELY ABOVE THE CHICAGO CITY DATUM, AND WHICH IS ENCLOSED BY VERTICAL PLANES EXTENDING UPWARD FROM THE BOUNDARIES, AT THE SURFACE OF THE EARTH, OF THAT PART OF BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

ALL OF SUB-LOTS 1 TO 7 AND THE ALLEY IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALSO, LOT 6 (EXCEPT THE EAST 20.00 FEET THEREOF) IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 10:

THAT PART OF THE LAND DESCRIBED BELOW WHICH IS DEMISED AS APPURTENANT RIGHTS IN THE LEASE NOTED ABOVE:

THAT PART OF BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

ALL OF SUB-LOTS 1 TO 7, AND THE ALLEY IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALSO LOT 6 (EXCEPT THE EAST 20.00 FEET THEREOF) IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THAT PART WHICH LIES BETWEEN HORIZONTAL PLANES, WHICH ARE 50.63 FEET AND 80.63 FEET, RESPECTIVELY, ABOVE CHICAGO DATUM.

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C. EASEMENT APPURTENANT TO AND FOR THE BENEFIT OF PARCELS 1, 2, AND 4 CREATED BY THE GRANT OF EASEMENT RECORDED AS DOCUMENT 90164870 AS AMENDED BY DOCUMENT 91096330 FOR INGRESS, EGRESS, CONSTRUCTION, USE, AND MAINTENANCE OF A PLAZA WALKWAY OVER PARCELS 3 AND 5, SAID PARCELS 3 AND 5 BEING DESCRIBED AS FOLLOWS:

PARCEL 3:

THAT PART OF THE WEST 1/2 OF NORTH GARVEY COURT (SAID NORTH GARVEY COURT BEING THE WEST 1/2 OF LOT 2 AND THE EAST 20.50 FEET OF LOT 3; TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF THE AFORESAID PARTS OF LOTS 2 AND 3, THE SOUTH LINE OF SAID 1.00 FOOT STRIP BEING THE NORTH LINE OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852) LYING ABOVE AN INCLINED PLANE HAVING AN ELEVATION OF +17.26 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF BLOCK 17 AND HAVING AN ELEVATION OF +21.23 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AND LYING BELOW AN INCLINED PLANE HAVING AN ELEVATION OF +7.26 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF SAID BLOCK 17 AND HAVING AN ELEVATION OF +51.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE, ALL IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

THAT PART OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852; TOGETHER WITH THE SOUTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF THE WEST 1/2 OF LOT 7 AND THE NORTH LINE OF THE EAST 20.50 FEET OF LOT 6 ALL TAKEN AS ONE TRACT LYING EAST OF THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 20.50 FEET OF LOT 3 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, LYING WEST OF THE SOUTHERLY EXTENSION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN SAID BLOCK 17, LYING ABOVE AN INCLINED PLANE, HAVING AN ELEVATION OF +21.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AFORESAID, AND HAVING AN ELEVATION OF +31.72 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE SOUTH LINE OF THE ORIGINAL 18-FOOT ALLEY AFORESAID, AND LYING BELOW AN INCLINED PLANE, HAVING AN ELEVATION OF +71.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AFORESAID, AND HAVING AN ELEVATION OF +71.72 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE SOUTH LINE OF THE ORIGINAL 18-FOOT ALLEY AFORESAID, ALL IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

D. EASEMENTS FOR SUPPORT AS CREATED BY GRANT OF EASEMENT RECORDED AS DOCUMENT 90164870 AS AMENDED BY DOCUMENT 91096330 OVER PARCEL 6, SAID PARCEL 6 BEING DESCRIBED AS FOLLOWS:

PARCEL 6:

THAT PART OF GARVEY COURT DEPICTED IN EXHIBIT "B" OF THE GRANT OF EASEMENT RECORDED AS

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DOCUMENT 90164870 AS AMENDED BY DOCUMENT 91096320.

E. RECIPROCAL EASEMENT AGREEMENT DATED DECEMBER 5, 1990 AND RECORDED AS DOCUMENT 91092145 MADE BY AND BETWEEN CHICAGO TITLE AND TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 12, 1986 AND KNOWN AS TRUST NO. 1088617 AND 77 WEST WACKER LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, FOR A JOINT ACCESS STAIRWAY CONNECTING THE TWO PARTIES' PROPERTY AS SPECIFICALLY DESCRIBED IN SAID INSTRUMENT OVER PARCEL 8, SAID PARCEL 8 BEING DESCRIBED AS FOLLOWS:

PARCEL 8:

THAT PORTION OF THE LAND DESCRIBED BELOW (THE STAIRWAY LAND) SUBJECT TO THE EASEMENT SET FORTH IN "E" ABOVE:

LOT 1 AND THE EAST 1/2 OF LOT 2 IN BLOCK 17 OF THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

AND

A STRIP OF LAND LYING SOUTH OF AND ADJOINING LOT 1 AND THE EAST 1/2 OF LOT 2 IN BLOCK 17 OF THE ORIGINAL TOWN OF CHICAGO BOUNDED ON THE NORTH BY THE SOUTH LINE OF SAID LOTS AND ON THE SOUTH BY THE NORTH LINE OF PUBLIC ALLEY AS NARROWED BY ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF CHICAGO PASSED SEPTEMBER 17, 1952, ALL IN COOK COUNTY, ILLINOIS.

F. EASEMENTS OVER PARCEL 9 AS SET FORTH IN AGREEMENT BY AND AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 26, 1985 AND KNOWN AS TRUST NUMBER 66121, 200 NORTH DEARBORN PARTNERSHIP, AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED DECEMBER 19, 1989 AND KNOWN AS TRUST NUMBER 11025-08 AND 77 WEST WACKER LIMITED PARTNERSHIP, DATED DECEMBER 31, 1990 AND RECORDED MARCH 18, 1991 AS DOCUMENT 91119736, FOR WALL OPENINGS; USING, CONSTRUCTING, MAINTAINING, REPAIRING, RECONSTRUCTING AND RENEWING THE PLAZA, AND EXTENDING AND CONTINUING THE PLAZA; AND FOR "WALL WORK" AS THEREIN DEFINED, SAID PARCEL 9 BEING DESCRIBED AS FOLLOWS:

PARCEL 9:

THAT PORTION OF THE LAND DESCRIBED BELOW (THE WALL LAND) SUBJECT TO THE EASEMENTS SET FORTH IN "F" ABOVE:

ALL OF SUB-LOTS 1 TO 7 AND THE ALLEY IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALSO LOT 6 (EXCEPT THE EAST 20.00 FEET THEREOF) IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

G. SUPPORT AND INGRESS AND EGRESS EASEMENTS AS CREATED BY AGREEMENT DATED OCTOBER 22, 1991, AND RECORDED MARCH 26, 1992, AS DOCUMENT 92199746 AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 18, 1991,

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AND KNOWN AS TRUST NUMBER 52947, AND OTHERS OVER THOSE PORTIONS OF PARCELS 11A AND 11B, WHICH ARE SET FORTH IN SAID AGREEMENT, SAID PARCEL 11 BEING DESCRIBED BELOW.

H. CONSTRUCTION, REPAIR, SUPPORT, AND INGRESS AND EGRESS EASEMENTS AS CREATED BY AGREEMENT DATED OCTOBER 22, 1991, AND RECORDED NOVEMBER 12, 1991 AS DOCUMENT 91S91893 AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 26, 1985, KNOWN AS TRUST NUMBER 66121M AND OTHERS OVER THOSE PORTIONS OF PARCEL 11A, WHICH ARE SET FORTH IN SAID AGREEMENT, SAID PARCEL 11 BEING DESCRIBED BELOW.

I. RIGHT TO PARK 169 CARS ON THOSE PORTIONS OF PARCEL 11B, AS SET FORTH IN PARKING AGREEMENT DATED OCTOBER 22, 1991 AND RECORDED APRIL 17, 1992 AS DOCUMENT 92280477 AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 18, 1991 AND KNOWN AS TRUST NUMBER 52947, 77 WEST WACKER LIMITED PARTNERSHIP, AND OTHERS, SAID PARCEL 11 BEING DESCRIBED, AS FOLLOWS:

PARCEL 11:

11A. ALL OF SUBLOTS 1 TO 7 AND THE ALLEY IN ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO:

ALSO

LOT 6 (EXCEPT THE EAST 20 FEET THEREOF) IN SAID BLOCK 17;

ALSO

ALL OF SUB-LOTS 1 TO 8 IN THE SUBDIVISION OF LOT 8 IN SAID BLOCK 17

ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO

THE NORTH 111.00 FEET OF THE EAST 1/2 OF LOT 7 (AS SUCH EAST 1/2 IS MEASURED ALONG THE SOUTH LINE OF LOT 7), LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +22.00 FEET ABOVE CHICAGO CITY DATUM;

THE SOUTH 16.00 FEET OF THE NORTH 127.00 FEET OF THE EAST 1/2 OF LOT 7 (AS SUCH EAST 1/2 IS MEASURED ALONG THE SOUTH LINE OF LOT 7), LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +14.66 FEET ABOVE CHICAGO CITY DATUM;

THAT PART OF THE EAST 1/2 OF LOT 7 (AS SUCH EAST 1/2 IS MEASURED ALONG THE SOUTH LINE OF LOT 7) EXCEPT THE NORTH 127.00 FEET THEREOF, LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +12.66 FEET ABOVE CHICAGO CITY DATUM;

THE EAST 20 FEET OF LOT 6 AND THE WEST 1/2 OF LOT 7 (AS SUCH WEST 1/2 IS MEASURED ALONG THE SOUTH LINE OF LOT 7), LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +29.00 FEET ABOVE CHICAGO CITY DATUM;

ALL IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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11B. LOT 27 IN LOOP TRANSPORTATION CENTER SUBDIVISION OF PART OF BLOCK 18 IN ORIGINAL TOWN OF CHICAGO IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 19 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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