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Cook County Recorder 95.50



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RICOR TITLE INSURANCE

Mortgage and Security Agreement

between

**LaSalle National Bank as Trustee of Trust #100497 ('Land Trustee')
and Northwestern Ventures Limited Partnership,
a Delaware limited partnership ("Beneficiary")**

Land Trustee and Beneficiary

As Mortgagor

and

UNUM Life Insurance Company of America, a Maine corporation

As Mortgagee

Dated as of October 19, 1998

RETURN TO: Box 15
N24-25804-14 NHC 444 772

This instrument prepared by, and after recording, please return to:
Lisa Merchant/Barbara McKusick Liscord
Legal/Investment Division
UNUM Life Insurance Company of America
2211 Congress Street
Portland, Maine 04122-0590

Street Address of Property:
2600 North Western Avenue,
Chicago, Illinois

Permanent Tax Index No.: _____



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Table of Contents

98976982

to

Mortgage and Security Agreement

ARTICLE ONE: COVENANTS	4
1.1 Title	4
1.2 Payment of Note and Reserves	5
1.3 Maintenance and Repair	6
1.4 Compliance with Laws	6
1.5 Insurance	6
1.6 Condemnation	7
1.7 Liens and Encumbrances	8
1.8 Taxes and Assessments	8
1.9 Indemnification	9
1.10 Change of Title or Additional Financing	9
1.11 Advances	11
1.12 Financial Statements	11
1.13 Time	11
1.14 Estoppel Certificates	11
1.15 Records	11
1.16 Environmental Compliance	12
1.17 Professional Leasing and Management	17
1.18 Special Collateral Covenants	17
ARTICLE TWO: DEFAULT AND REMEDIES	17
2.1 Events of Default	17
2.2 Remedies	19
2.3 Protective Advances	22
2.4 Mortgagee in Possession	24
2.5 Cumulative Remedies	25
ARTICLE THREE: MISCELLANEOUS	25
3.1 Leases	25
3.2 Taxation of Note and Mortgage	26
3.3 Marshaling of Assets	26
3.4 Partial Release	26
3.5 Non-Waiver	26
3.6 Protection of Security	27
3.7 Rule of Construction	27
3.8 Severability	27
3.9 Successors in Interest	28
3.10 Notices	28
3.11 Modifications	28
3.12 Governing Law	28
3.13 Mortgage Irrevocable	28
3.14 Attorneys' Fees	28
3.15 WAIVER OF JURY TRIAL	29
3.16 Limitation of Beneficiary's Liability	29
3.17 Bankruptcy Conditions	29
3.18 Counterparts	30
3.19 Waiver of Redemption	30
3.20 Business Loan	30
3.21 Benefits of Act	30
3.22 Land Trust Exculpation	30
3.23 Illinois Collateral Protection Act	31

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THIS MORTGAGE AND SECURITY AGREEMENT (hereinafter called the "Mortgage") is made October 19, 1998, by LaSalle National Bank, not personally, but solely as Trustee under a trust agreement ("Trust Agreement") dated January 15, 1979, and known as Trust #100497, having a principal place of business at 135 South LaSalle Street, Chicago, Illinois ("Land Trustee"), and Northwestern Ventures Limited Partnership, a Delaware limited partnership, having its principal place of business c/o Horizons Management Associates, LLC, 865 Providence Highway, Suite 202, Dedham, Massachusetts 02026 ("Beneficiary," and collectively, with Land Trustee, hereinafter called "Mortgagor") in favor of UNUM Life Insurance Company of America, a Maine corporation, whose address is 2211 Congress Street, Portland, Maine 04122-0590 (hereinafter called "Mortgagee").

WITNESSETH:

That for good and valuable consideration, and to secure a) the payment of the indebtedness evidenced by a Note of even date herewith in the principal amount of Four Million Three Hundred Thousand and No/100 Dollars (\$4,300,000) made by Mortgagor, as Maker, to the order of Mortgagee, as Holder, final payment of which is due on or before November 1, 2018, as it may be renewed, extended or amended from time to time hereafter; b) any additional loans when evidenced by an additional note or notes reciting the same to be secured hereby, including all renewals, extensions or amendments thereof, (all together hereinafter called the "Note"), together with interest thereon, as the rate thereof may be adjusted as provided in the Note; c) due, prompt and complete observance and performance of each and every obligation, covenant and agreement of Mortgagor contained in the Note and this Mortgage; and d) any other indebtedness owed by Mortgagor to Mortgagee now or hereafter arising under the terms hereof or in any other instrument constituting additional security for the Note, and all other sums of money secured hereby as hereinafter provided, Mortgagor does irrevocably mortgage (and Beneficiary does also irrevocably warrant), grant, bargain, assign, sell, remise, release, and convey unto Mortgagee, its successors and assigns, the real estate described in Exhibit A, attached hereto and made a part hereof, which, together with the property hereinafter described, is referred to herein as the "Premises";

TOGETHER WITH:

(a) All of Mortgagor's interest in buildings and improvements, now or hereafter located thereon, all privileges and other rights now or hereafter made appurtenant thereto including, without limitation, all right, title and interest of Mortgagor now or hereafter acquired in and to any land lying within the right-of-way of any streets, roads and public places, opened or proposed adjoining the Premises and any and all sidewalks, alleys, strips and gores, public utilities, easements and rights of way, public or private, now or hereafter used in connection with the Premises;

(b) All of Mortgagor's interest in fixtures, fittings, furnishings, appliances, apparatus, goods, equipment, and machinery, including, without limitation, all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, ovens, elevators and motors, escalators, bathtubs, sinks, water closets, basins, pipes, faucets and other ventilating and air-conditioning, plumbing, lighting and heating fixtures, mirrors, mantles, refrigerating plants, refrigerators.

iceboxes, dishwashers, carpeting, floor coverings, furniture, laundry equipment, cooking apparatus and appurtenances, washing machines, dryers, trash compactors, telephone and telecommunication systems, antennas, satellite dishes, receivers, transmitters and related equipment, incinerators, trash receptacles, drop ceilings, brackets and appurtenances, sprinklers and fire extinguishing systems, smoke detectors and other fire alarm devices, door bell and alarm systems, screens, awnings, doors, storm and other detachable doors and windows, built-in cases, counters, sculptures, statuary, fountains, trees, hardy shrubs and perennial flowers, interior and exterior cleaning, plowing, lawn care, maintenance and repair machinery, vehicles or equipment, signs, pylons, monuments, and all building material, supplies, and equipment now or hereafter delivered to the Premises and installed or used or intended to be installed or used therein; all other fixtures and personal property of whatever kind and nature at present contained in or hereafter placed in any building standing on the Premises; such other goods, equipment, chattels and personal property as are usually furnished by landlords in letting premises of the character hereby conveyed;

(c) There is also transferred, set over and assigned hereby by Mortgagor to Mortgagee, its successors and assigns, all leases, conditional sale agreements, chattel mortgages and use agreements of machinery, equipment and other personal property of Mortgagor in the categories hereinabove set forth, under which Mortgagor is the lessee of, or entitled to use, such items, together with all deposits and payments made thereunder, and Mortgagor agrees to execute and deliver to Mortgagee specific separate assignments to Mortgagee of such instruments when requested by Mortgagee; but nothing herein constitutes Mortgagee's consent to any financing of any fixtures or personal property, and nothing herein shall obligate Mortgagee to perform any obligations of Mortgagor under any such leases, or agreements unless it so chooses, which obligations Mortgagor hereby covenants and agrees to well and punctually perform;

(d) All of Mortgagor's interests in personal property of any kind or nature whatsoever, whether tangible or intangible, not described in paragraph (b) and (c) above, but which are or will be used in the construction of, placed upon, or are or will be derived from, related to or used in connection with the ownership, management, use, maintenance, or enjoyment of the Premises, including without limitation: (i) all causes of action, judgments, awards of damages and settlements hereafter made as a result of or in lieu of any taking of the Premises or any part thereof under the power of eminent domain, or for any damage to the Premises; (ii) all insurance policies and proceeds therefrom covering the Premises; (iii) all blueprints, plans, maps, documents, books and records relating to the Premises; (iv) all contracts for utilities, services or materials relating to the Premises, but nothing herein shall obligate Mortgagee to perform the obligations of Mortgagor under such contracts; (v) all deposits, letters of credit, performance bonds or other security given to any governmental agency in connection with any permit or approval relating to the Premises; (vi) all monies on deposit with Mortgagee or any agent of Mortgagee for the payment of governmental impositions or insurance premiums relating to the Premises, or for subsequent disbursement for any purpose; (vii) all trade names, trademarks and good will; and (viii) all existing and future records with respect to environmental matters, whether or not located at the Premises or elsewhere, whether or not in the possession of Mortgagor or some third party (including any federal, state or local agency or instrumentality), and whether or not written, photographic, or computerized;

(e) All of Mortgagor's interest in refunds, rebates, reimbursements, reserves, deferred payments, deposits, cost savings, governmental subsidy payments, governmentally-registered credits (such as emissions reduction credits), other credits, waivers and payments, whether in cash or in kind, due from or payable by (i) any federal, state, municipal or other governmental or quasi-governmental agency, authority or district (a "Governmental Agency") or (ii) any insurance or utility company relating to any or all of the Premises or arising out of the satisfaction of any conditions imposed upon or the obtaining of any approvals for the development or rehabilitation of the Premises;

(f) All of Mortgagor's interest in refunds, rebates, reimbursements, credits and payments of any kind due from or payable by any Governmental Agency for any taxes, special taxes, assessments, or similar governmental or quasi-governmental charges or levies imposed upon Mortgagor with respect to the Premises or upon any or all of the Premises or arising out of the satisfaction of any conditions imposed upon or the obtaining of any approvals for the development or rehabilitation of the Premises;

(g) All rents, income, profits, revenues, royalties, bonuses, rights, accounts, contract rights, general intangibles, claims, cure amounts or administrative amounts in any bankruptcy proceedings relating to any of the Leases or the Premises, benefits under any and all leases or tenancies or the fees, charges, accounts, or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties now existing or hereafter created in all or any portion of the Premises or any part thereof or arising out of the construction, use, or operation of the Premises or any parts thereof, or any other equitable or contract rights pertaining to the Premises;

(h) All products and proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims; and

(i) All substitutions, replacements, extensions, renewals, additions and accessories for or to any of the foregoing.

The items set forth in paragraphs (b) through (i) above are sometimes hereinafter separately referred to as "Collateral." To the extent that any portion of the Collateral are goods which are, or are to become, fixtures, this Mortgage is recorded as a fixture filing, with the Mortgagor as the debtor and the Mortgagee as the secured party. To the extent that any portion of the Collateral does not constitute real property or fixtures, this Mortgage shall constitute a security agreement with the Mortgagor as the debtor and the Mortgagee as the secured party. Mortgagor hereby grants the Mortgagee a security interest in the Collateral to the extent that it constitutes personal property or fixtures. Information concerning the security interest herein granted may be obtained at the address of Debtor (Mortgagor) and Secured Party (Mortgagee) as set forth in the first paragraph of this Mortgage.

TO HAVE AND TO HOLD the above granted Premises, with all the privileges and appurtenances to the same belonging to the said Mortgagee, its successors and assigns, to its and their use and behoof forever.

PROVIDED, HOWEVER, that if Mortgagor shall fully pay or cause to be fully paid to the Holder of the Note the principal and interest (as the rate thereof may be adjusted as provided in the Note), late charges and prepayment premium, if any, to become due thereupon at the time and in the manner stipulated therein, and shall pay or cause to be paid all other sums payable hereunder and all indebtedness hereby secured and shall have performed all covenants and obligations under any "Loan Documents" as defined in Section 7 of the Note, then, in such case, the estate, right, title and interest of Mortgagee in the Premises shall cease, terminate and become void, and upon proof being given to the satisfaction of Mortgagee that the Note, together with interest and prepayment premium, if any, thereon have been paid or satisfied, and upon payment of all fees, costs, charges, expenses and liabilities chargeable or incurred or to be incurred by Mortgagee, and of any other sums as herein provided, Mortgagee shall, upon receipt of the written request of Mortgagor and upon receipt by Mortgagee from Mortgagor of all necessary, fully completed forms, documents and instruments to do so, cancel, release and discharge this Mortgage.

The maximum principal amount secured by this Mortgage shall not exceed \$17,200,000.

ARTICLE ONE: COVENANTS

Mortgagor covenants and agrees with Mortgagee as follows:

1.1 Title.

(a) Land Trustee represents and Beneficiary warrants that Land Trustee has good and marketable title to an indefeasible fee simple estate in the Premises, subject to no liens, charges or encumbrances, that it has good right and lawful authority to mortgage the Premises in the manner and form herein provided; that this Mortgage is and shall remain a valid and enforceable first lien on the Premises subject only to those exceptions to title in a Mortgagee's Title Insurance policy accepted in writing by Mortgagee; that Mortgagor and its successors and assigns shall warrant and defend the same and the priority of this lien forever against the lawful claims and demands of all persons whomsoever, and that this covenant shall not be extinguished by any foreclosure hereof but shall run with the land.

(b) Mortgagor has and shall maintain title to the Collateral including any additions or replacements thereto free of all security interests, liens and encumbrances other than the security interest hereunder and other than as disclosed to and accepted by Mortgagee in writing, and has good right to subject the Collateral to the security interest hereunder.

(c) Mortgagor shall, at the cost of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall from time to time require, for the better assuring, conveying, assigning, transferring and confirming unto Mortgagee the property and rights hereby conveyed or assigned or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage, or for filing, registering or recording this Mortgage

and, on demand, shall execute and deliver, and hereby authorizes Mortgagee to execute in the name of Mortgagor to the extent it may lawfully do so, one or more financing statements, continuation statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Collateral.

(d) Mortgagor forthwith upon the execution and delivery of this Mortgage and thereafter from time to time, shall cause this Mortgage, and any security instrument creating a lien or evidencing the lien hereof upon the Collateral 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 the lien hereof upon, and the interest of Mortgagee in, the Premises.

(e) Mortgagor shall pay all filing, registration or recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Collateral, and any instrument of further assurance, and all federal, state, county and municipal stamp taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Note, this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Collateral or any instrument of further assurance.

(f) Mortgagor, and each entity comprising Mortgagor, if any be a corporation, partnership, limited partnership or other legal entity shall, so long as it is owner of the Premises, do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges as a legal entity under the laws of the state of its formation and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to Mortgagor or to the Premises or any part thereof.

1.2 Payment of Note and Reserves.

(a) Mortgagor shall promptly and punctually pay all principal and interest, as the rate thereof may be adjusted as provided in the Note (together with any legal, title insurance, or other expenses incurred by Mortgagee in connection with such rate adjustment), prepayment premium, and all other sums to become due in respect to the Note, according to the true intent and meaning thereof. Mortgagor shall also pay to Mortgagee, together with and in addition to the monthly payments of principal and interest payable under the terms of the Note, on the date set forth therein for the making of monthly payments, until the Note is fully paid, a sum, as estimated by Mortgagee, equal to the ground rents under Ground Leases which have not been subordinated to this Mortgage, if any, and the taxes and special assessments next due on the Premises, plus the premiums that will next become due and payable on insurance policies as may be required hereunder, Mortgagor agreeing to deliver promptly to Mortgagee all bills and notices thereof, less all sums already paid therefor, divided by the number of months to elapse before one (1) month prior to the date when such ground rents, premiums, taxes and special assessments will become delinquent, such sums to be held by Mortgagee to pay said ground rents, premiums, taxes and special assessments. Such payments, hereinafter referred to as "Reserves", are to be held without any allowance of interest or dividend to Mortgagor and need not be kept separate and apart from other funds of Mortgagee. All payments mentioned in this paragraph and all payments to be made

under the Note shall be added together and the aggregate amount thereof shall be paid by Mortgagor each month in a single payment to be applied by Mortgagee to the following items in the order set forth: (i) said ground rents, if any, taxes, special assessments, insurance premiums; (ii) interest and late charges on the Note; and (iii) amortization of the principal of the Note.

(b) The Reserves are solely for the added protection of Mortgagee and entail no responsibility on Mortgagee's part beyond the allowing of due credit, without interest, for the sums actually received by it. Upon assignment of this Mortgage by Mortgagee, any Reserves on hand shall be turned over to the assignee and any responsibility of the assignor with respect thereto shall terminate.

(c) If the total of the Reserves shall exceed the amount of payments actually applied by Mortgagee, such excess may be credited by Mortgagee on subsequent payments to be made by Mortgagor or, at the option of Mortgagee, refunded to Mortgagor or its successors in interest as may appear on the records of Mortgagee. If, however, the Reserves shall not be sufficient to pay the sums required when the same shall become due and payable, Mortgagor shall immediately deposit with such Mortgagee the full amount of any such deficiency. If there shall be a default under any of the provisions of this Mortgage Mortgagee may apply, at any time the balance of the Reserves, against such sums due and payable under the Note or under any instrument, now or hereafter, constituting additional security for the Note or under the Assignment of Rents.

1.3 Maintenance and Repair.

Mortgagor shall not commit or permit any waste on the Premises, and shall keep the Premises free of oil and other petroleum products and all hazardous materials and/or toxic substances as defined from time to time in federal and state laws and regulations. Mortgagor shall permit Mortgagee or its agents the opportunity to inspect the Premises, at any reasonable times, subject to the rights of tenant under the lease.

1.4 Compliance with Laws.

Mortgagor shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions, now or hereafter, affecting said Premises or the operation thereof, and shall pay all fees or charges of any kind in connection therewith. Except as may be shown on a Mortgagee's Title Insurance Policy accepted in writing by Mortgagee, Mortgagor shall not, by act or omission, permit any property which is not subject to this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any governmental requirement for the existence or use of such property; and the Premises shall not rely on any property which is not subject to this Mortgage to fulfill any governmental requirement for the existence or use of the Premises. Mortgagor shall not by act or omission impair the integrity of the Premises as a single separate subdivided zoning lot separate and apart from all other lots.

1.5 Insurance.

(a) Mortgagor shall initially maintain, until Mortgagee shall otherwise indicate in writing: (i) liability insurance with per occurrence coverage in the amount of at least Five Million Dollars (\$5,000,000) per occurrence limit for bodily injury, property damage, and personal injury with Mortgagee as an additional insured and a deductible of no more than Ten Thousand Dollars (\$10,000); All policies of insurance shall be written by a company or companies that have a Best's rating of A:VIII or better.

(b) All policies of insurance to be furnished hereunder shall be in forms, companies and amounts satisfactory to Mortgagee, including, but not limited to, a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to Mortgagee. Mortgagor shall deliver all policies, including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not less than ten (10) days prior to their respective dates of expiration.

(c) In the event of a foreclosure or other transfer of title to the Premises in lieu of foreclosure, or by purchase at the foreclosure sale, all interest in any insurance policies in force shall pass to Mortgagee, transferee or purchaser as the case may be.

1.6 Condemnation.

Mortgagor, immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of the Premises or any portion thereof, shall notify Mortgagee of the pendency thereof. Mortgagor hereby assigns, transfers and sets over unto Mortgagee all compensation, rights of action, the entire proceeds of any award and any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation or by sale in lieu thereof inuring to the Mortgagor (but not to a Tenant). Mortgagee may, at its option, commence, appear in and prosecute, in its own name, any action or proceeding, or make any compromise or settlement, in connection with such condemnation, taking under the power of eminent domain or sale in lieu thereof. After deducting therefrom all of its expenses, including attorneys' fees, Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby, whether due or not, or hold said proceeds without any allowance of interest and make them available for restoration or rebuilding of the Premises. Provided, however, if (i) in the sole judgment of Mortgagee, a taking or damage does not materially and adversely impact the fair market value of the Premises; and (ii) so long as the Premises (including, but not limited to, parking, buildings and other site improvements) can under then applicable laws, ordinances and regulations, be reconstructed and rebuilt to substantially the same size, location, configuration, condition and use as existed immediately prior to the taking or damage (or threat thereof); and (iii) so long as such taking or damage (or threat thereof) does not constitute grounds for termination of or modification of the General Cinema Lease, Mortgagee shall make said proceeds available to reimburse Mortgagor for the cost of the rebuilding or restoration of the buildings or improvements on said Premises. In the event that Mortgagee elects to make said proceeds available to reimburse Mortgagor for the cost of the rebuilding or restoration of the buildings or improvements on said Premises, such proceeds shall be made available in the following manner and conditions:

(a) Mortgagee will hold the condemnation proceeds without interest and will release the condemnation proceeds as restoration progresses in payment of restoration costs, subject to the following conditions:

(1) There shall be no outstanding "Event of Default" (as hereinafter defined) and no event shall have occurred and be continuing which, but for the giving of notice and passage of time, or both, would constitute an Event of Default;

(2) At the time of the restoration, the Lease for the Premises between Borrower and General Cinema Corp. of Northwestern dated July 28, 1998, will continue full force and effect;

Mortgagee may apply any condemnation proceeds remaining after completion of restoration to the indebtedness secured hereby, or if the above conditions are not met, Mortgagee may apply all insurance proceeds to the indebtedness secured hereby. If the proceeds are made available by Mortgagee to reimburse Mortgagor for the cost of said rebuilding or restoration, any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall at the option of Mortgagee be applied on account of the indebtedness secured hereby or be paid to Mortgagor. Mortgagor agrees to execute such further assignments of any compensation, award, damages, right of action and proceeds, as Mortgagee may require.

1.7 Liens and Encumbrances.

Mortgagor shall not, without Mortgagee's express written consent, permit the creation of any liens or encumbrances on the Premises other than the lien of this Mortgage, and shall pay when due all obligations, lawful claims or demands of any person which, if unpaid, might result in, or permit the creation of, a lien or encumbrance on the Premises or on the rents, issues, income and profits arising therefrom, whether such lien would be senior or subordinate hereto, including, but without limiting the generality of the foregoing, all claims of mechanics, materialmen, laborers and others for work or labor performed, or materials or supplies furnished in connection with any work of demolition, alteration, improvement of or construction upon the Premises, and Mortgagor will do or cause to be done everything necessary so that the first lien of this Mortgage shall be fully preserved, at the cost of Mortgagor, without expense to Mortgagee. In the event an involuntary lien or attachment is filed against the Premises, Mortgagor will take action to remove any such attachment or lien within thirty (30) days of the filing of such lien or attachment. Any lien or encumbrance on the Premises created hereafter shall contain, or shall by virtue hereof be deemed to contain, a provision subordinating such lien or encumbrance to all leases then or in the future affecting the Premises. Mortgagee further requires that the Mortgagor take action, whether by bonding or otherwise, to remove or satisfy any mechanics or other lien attached to the Premises based on any work or material supplied to a Tenant, within sixty five (65) days after Mortgagor has been furnished a notice of the filing of any such lien.

1.8 Taxes and Assessments.

Mortgagor shall pay in full when due, and in any event before any penalty or interest attaches, all general taxes and assessments, special taxes, special assessments, water charges,

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sewer service charges, and all other charges against the Premises and shall furnish to Mortgagee official receipts evidencing the payment thereof.

1.9 Indemnification.

Mortgagor shall appear in and defend any suit, action or proceeding that might in any way and in the sole judgment of Mortgagee affect the value of the Premises, the validity, enforceability and priority of this Mortgage or the rights and powers of Mortgagee. Mortgagor shall, at all times, indemnify, defend, hold harmless and on demand, reimburse Mortgagee for any and all loss, damage, expense or cost, including cost of evidence of title and attorneys' fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditures shall be secured by this Mortgage and shall bear interest at the rate provided in the Note and shall be due and payable on demand. Mortgagor shall pay cost of suit, cost of evidence of title and reasonable attorneys' fees in any proceeding or suit, including appellate proceedings, brought by Mortgagee to foreclose or otherwise enforce this Mortgage.

1.10 Change of Title or Additional Financing.

(a) Mortgagor agrees that if title to the Premises or any part thereof or interest therein or income therefrom is sold, assigned, transferred, conveyed, further mortgaged, encumbered, or otherwise changed (including any such changes as security for additional financing), or if the beneficial interests or power of direction under the Trust Agreement is sold, assigned, transferred, conveyed, further mortgaged, encumbered or otherwise changed (including any such changes as security for additional financing), on whole or in part, whether voluntarily, or involuntarily or by operation of law, in either or any case without the prior written consent of Mortgagee, then Mortgagee, at its option, may declare the Note (including without limitation, any prepayment premium provided for thereunder) any other obligations secured hereby and all other obligations hereunder to be forthwith due and payable. Mortgagee may condition its consent upon payment of a transfer fee or upon an increase in the interest rate of the Note to the "Index Rate", as defined in the Note, and Mortgagor shall pay all costs incurred thereby, including any costs of amending the Note and this Mortgage and of obtaining a title insurance endorsement. In addition, Mortgagee may charge an administrative fee together with legal or transactional costs incurred by Mortgagee in connection with the transfer of the property and assumption of Beneficiary's loan. Mortgagee's consent to a transfer under this section shall not be deemed to be a waiver of the right to require consent to future or successive transfers.

(b) Any change in the legal or equitable title of the Premises or in the beneficial ownership of the Premises or in the beneficial interest or power of direction under the Trust Agreement whether or not of record and whether or not for consideration, or change of any ownership interests in Mortgagor or in any legal entities comprising Mortgagor, shall be deemed a change of title to the Premises or a change in the beneficial interest or power of direction under the Trust Agreement, except the following changes: (1) transfers and changes in the ownership of the Premises necessitated by devise or descent; (2) transfers and changes of ownership of Mortgagor which aggregate less than voting control and are made for estate/planning purposes or which are transfers of limited partnership interests; (3) transfer and change of the corporate trustee of the Land Trustee, and/or (4) transfers between Robert H. Lane and/or Merritt Lipsky

so long as the indebtedness secured by this Mortgage is assumed, if Mortgagee determines in its reasonable discretion that an assumption is required, by the transferee pursuant to documents approved by Mortgagee ("Permitted Transfers"). Other than Permitted Transfers (1) and (3) above, Mortgagor shall give Mortgagee 60 days' advance written notice of all transfers of title to the Premises, or in the beneficial interest or power of direction under the Trust Agreement, including Permitted Transfers number (2) and (4). With regards to Permitted Transfers (1) and (3) above, Mortgagor shall give Mortgagee written notice of such transfers as soon as practical. There shall be no change in the interest rate of the Note in connection with any Permitted Transfers. Mortgagor will be liable for an administrative fee together with legal and transactional costs incurred by Mortgagee in connection with the transfer of the property and assumption of Mortgagee's loan, including Permitted Transfers.

(c) In the event ownership of the Premises, or any part thereof or the beneficial interest or power of direction under the Trust Agreement, becomes vested in a person or persons other than Mortgagor, or in the event that any interest in Mortgagor is transferred as hereinabove stated, all without the prior written approval of Mortgagee, Mortgagee may, without notice to Mortgagor, waive such default and deal with such successor or successors in interest with reference to this Mortgage, and the Note and additional notes, if any, in the same manner as with Mortgagor, without in any way releasing, discharging or otherwise affecting the liability of Mortgagor hereunder, or for this Mortgage indebtedness hereby secured. No sale of the Premises or any transfer as described above, no forbearance on the part of Mortgagee, no extension of the time for the payment of this Mortgage indebtedness or any change in the terms thereof consented to by Mortgagee shall in any way whatsoever operate to release, discharge, modify, change or affect the original liability of Mortgagor herein, either in whole or in part, nor shall the full force and effect of this lien be altered thereby. Any deed conveying the Premises, or any part thereof, shall provide that the grantee thereunder assume all of the grantor's obligations under this Mortgage, the Note and all other instruments or agreements evidencing or securing the repayment of this Mortgage indebtedness. In the event such deed shall not contain such assumption, the grantee under such deed shall nevertheless be conclusively deemed to have assumed such obligations by acquiring the Premises or such portion thereof subject to this Mortgage.

(d) Mortgagor shall not voluntarily, involuntarily or by operation of law sell, assign, transfer or otherwise dispose of the Collateral or any interest therein and shall not otherwise do or permit anything to be done or occur that may impair the Collateral as security hereunder except so long as this Mortgage is not in default, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral if in connection with a Permitted Transfer as set forth above or when absolutely worn out, inadequate, unserviceable or unnecessary for use in the operation of the Premises in the conduct of the business of Mortgagor, upon replacing the same or substituting for the same other Collateral at least equal in value to the initial value of that disposed of and in such a manner so that said Collateral shall be subject to the security interest created hereby and so that the security interest of the Mortgagee hereunder shall be the first priority security interest in said Collateral. In the event the Collateral is sold in connection with the sale of the Premises, Mortgagor shall require, as a condition of the sale, that the buyer specifically agree to assume Mortgagor's obligations as to the security interest herein granted and to execute whatever agreements and filings deemed necessary by Mortgagee to maintain its perfected security interest in the Collateral.

1.11 Advances.

If Mortgagor shall fail to perform any of the covenants herein, contained in the Assignment of Rents, or contained in any instrument now or hereafter constituting additional security for the Note, Mortgagee may, but without obligation to do so, make advances to perform the same in its behalf, and all sums so advanced shall be a lien upon the Premises and shall be secured by this Mortgage. Such advances will only be made if there is an Event of Default and/or Mortgagee, in its reasonable discretion deems such advance necessary to retain the integrity of the Property and Collateral. Mortgagor shall repay on demand all sums so advanced in its behalf with interest at the rate of five percent (5%) per annum in excess of the rate of the Note at the time of such advance. Nothing herein contained shall prevent any such failure to perform on the part of Mortgagor from constituting an Event of Default.

1.12 Financial Statements.

Mortgagor shall deliver to Mortgagee, within ninety (90) days after the end of each of Mortgagor's fiscal years, a current rent roll listing each tenant, the space occupied and the annual rental; a balance sheet and statement of profit and loss with respect to the operation of Premises, setting forth with each fiscal year beginning with the second fiscal year in comparative form the figures for the previous fiscal year, together with satisfactory financial statements of Mortgagor and each principal of Mortgagor, all in reasonable detail and certified as complete and correct by Mortgagor or, at Mortgagee's option, which shall not be exercised unreasonably, prepared by a Certified Public Accountant, satisfactory to Mortgagee.

1.13 Time.

Mortgagor agrees that time is of the essence hereof in connection with all obligations of Mortgagor herein or in the Note, any other obligations secured hereby, in the Assignment of Rents or in any other instruments constituting additional security for the Note.

1.14 Estoppel Certificates.

Mortgagor within ten (10) days after written request shall furnish a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage and stating either that no setoffs or defenses exist against this Mortgage debt, or, if such setoffs or defenses are alleged to exist, the nature thereof.

1.15 Records.

Mortgagor agrees to keep adequate books and records of account in accordance with generally accepted accounting principles consistently applied and shall permit Mortgagee, and its agents, accountants and attorneys, to visit and inspect the Premises and examine its books and records of account, and to discuss its affairs, finances and accounts with Mortgagor, at such reasonable times as Mortgagee may request.

1.16 Environmental Compliance.

(a) As used herein, the following terms shall have the following meanings:

"Hazardous Materials" means any asbestos (whether friable or non-friable), lead-based paint, PCB's, ureaformaldehyde, oil or other petroleum products or fractions thereof, flammable explosives, radioactive materials, or materials defined under federal, state and local laws and regulations, statutes, ordinances or court decisions as "hazardous substances", "hazardous materials", "hazardous waste", "waste", "toxic substances", "pollution" or "contaminants", or similar term or phrase. Without limiting the generality of the foregoing, the definition of those terms shall include those definitions found in any Applicable Environmental Law.

"Applicable Environmental Law" shall mean all statutes, laws, ordinances, acts, rules, regulations, decrees, and rulings of all governmental authorities which relate or pertain to health, the environment or Hazardous Materials, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, codified principally at 42 U.S.C.A. 9601 et seq. (1983 and Supp. 1987), as amended ("CERCLA"), the Resource Conservation and Recovery Act of 1976, the Hazardous and Solid Waste Amendments of 1984, codified at 42 U.S.C.A. 6901 et seq. (Supp. 1987), as amended, and the National Environmental Policy Act, 42 U.S.C. 4321 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq., the Toxic Substances Control Act, 15 U.S.C. 2601 et seq., the Clean Water Act, 33 U.S.C. 1251 et seq., the Clean Air Act, 42 U.S.C. 7401 et seq., the Occupational Safety and Health Act, 29 U.S.C. 651, et seq., and all similar federal, state or local statutes, ordinances as well as regulations or policies promulgated pursuant to such laws and all other environmental control laws of the State of Illinois and all rules and regulations promulgated thereunder.

"Environmental Activity" means any actual or threatened disposal, release, emission, discharge, existence, use, migration, generation, storage, handling, transportation, abatement, disposal, removal of Hazardous Materials or any other activity or occurrence that causes any such event to exist.

"Disposal", "release" and "threatened release" shall have the definitions assigned thereto by CERCLA.

(b) Beneficiary hereby represents and warrants and Land Trustee hereby represents that except as disclosed by (I) the Phase I Environmental Site Assessment Report dated May 9, 1997 ("Phase I Report") and Addendums to Phase I Report dated June 24, 1998, and September 18, 1998, and Letter of Reliance dated September 18, 1998, all of which were prepared by Aspen Environmental, Inc. and (II) Environmental Exploration dated March 9, 1998, and Letter of Reliance dated September 15, 1998, prepared by Testing Service Corporation, (i) the Premises do not contain or incorporate and are not threatened with contamination from Hazardous Materials; (ii) to the best of Mortgagor's knowledge, the Premises have never been used in connection with any Environmental Activity concerning Hazardous Materials except in

compliance with applicable law; (iii) to the best of Beneficiary's knowledge, there have been no releases and there are no threatened releases of Hazardous Materials on, onto, from, or under the Premises; (iv) all current, and to the best of Mortgagor's knowledge, all past uses of the Premises comply with all Applicable Environmental Law; (v) Mortgagor has never received notice of a violation of any Applicable Environmental Law, and no action has been commenced or threatened for non-compliance with such laws; (vi) Mortgagor has not obtained and is not required by any Applicable Environmental Law to obtain any permit or license to construct or use the Premises; (vii) the Premises do not contain and to the best of Mortgagor's knowledge has never contained an underground storage tank (including, without limitation, a tank for which a permit to operate was obtained under the Underground Storage of Hazardous Substances Act); (viii) to the best of Beneficiary's knowledge no event has occurred which requires or required the owner of the Premises to give any public entity notice of any spill, release, threatened release, disposal, or existence of Hazardous Materials on the Premises; and (ix) there has been no litigation brought or threatened against Mortgagor or to Mortgagor's knowledge any prior owner of the Premises, nor have any settlements been reached by or with Mortgagor or to Mortgagor's knowledge any other party alleging the presence, disposal, release, or threatened release of any Hazardous Materials on, onto, from, or under the Premises; and (x) the Property is not and, to the best of the undersigned's knowledge, never has been, "Real Property" as defined under the Responsible Property Transfer Act of 1988, as amended from time to time, 765 ILCS 90/1 et. seq.

(c) Mortgagor shall not use or permit the use (by lease or otherwise) of the Premises for any Environmental Activity, including, without limitation, the generation, transportation, treatment handling, storage or disposal of Hazardous Materials, except Mortgagor shall have the right to use legal Hazardous Materials, in a safe manner, and to a safe degree, in accordance with all Applicable Environmental Laws.

(d) Mortgagor shall keep and maintain the Premises in compliance with all Applicable Environmental Laws.

(e) Mortgagor shall, at its sole cost and expense, detain the spread of, ameliorate and remove from the Premises to Mortgagee's reasonable satisfaction and with all reasonable due care, any contamination of Hazardous Materials which may be discovered in, on, around or underneath the Premises, in a safe manner, and to a safe degree, in accordance with all Applicable Environmental Law.

(f) Mortgagor shall provide Mortgagee with immediate written notice: (i) of Mortgagor's obtaining knowledge of any Environmental Activity (other than those described in (c) above), including, without limitation, any potential or known release or threatened release of Hazardous Materials on, onto, from or under the Premises, whether from a federal, state or other governmental authority, or otherwise; or (ii) of all claims made or threatened by any third party relating to any loss or injury from Hazardous Materials in, on, from, or under the Premises.

(g) Mortgagor shall report any release of Hazardous Materials in accordance with Applicable Environmental Law.

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(h) Mortgagor shall promptly deliver copies of any documents relating to any governmental proceeding relating to Hazardous Materials and all engineering reports, test reports and laboratory analyses concerning the Hazardous Materials affecting the Premises to Mortgagee.

(i) If any governmental entity requires the investigation of the Premises and/or ground water for the existence of Hazardous Materials, or Mortgagee reasonably suspects or believes that there exists the threat of or there has been Hazardous Materials contamination of the Premises and/or ground water, Mortgagor, at its expense, shall promptly and thoroughly investigate the Premises and/or the ground water for Hazardous Materials contamination. The professionals retained by Mortgagor and the scope and timing of any such investigation shall be subject to Mortgagee's reasonable approval. In the event Mortgagor fails to complete an investigation for Hazardous Materials when and as required by this section, or if an Event of Default (or an event which but for the passage of time or giving of notice would constitute an Event of Default) occurs, Mortgagee may, in its sole and absolute discretion, enter the Premises (subject to the rights of the tenant under the lease) and conduct the investigation at the expense of Mortgagor, after giving five (5) days written notice to Mortgagor. Such investigation may include obtaining one or more environmental assessments of the Premises prepared by a geohydrologist, an independent engineer or other qualified consultant or expert evaluating or confirming (i) whether any Hazardous Materials are present in, on, under or adjacent to the Premises and (ii) whether the use and operation of the Premises comply with Applicable Environmental Laws. Environmental assessments may include detailed visual inspections of the Premises including, without limitation, any and all storage areas, storage tanks, drains, dry wells and leaching areas, and the taking of soil samples, surface water samples and ground water samples, as well as such other investigations or analysis as are necessary or appropriate for a complete determination of the compliance of the Premises and the use and operation thereof with all Applicable Environmental Laws.

(j) In the event of any change in the laws governing the assessment, existence, release or removal of Hazardous Materials, such as but not limited to the identification of a new hazardous substance to be included in the definition of Hazardous Materials, which change would lead a prudent lender to require additional testing to avail itself of any statutory insurance or limited liability, Mortgagor shall take all such action (including, without limitation, the conducting of engineering tests at the sole expense of Mortgagor) to confirm that no hazardous material is present on the Premises.

(k) Mortgagor shall permit Mortgagee or its agents to inspect the Premises at any reasonable time (subject to the rights of the tenant under the lease) upon five (5) days' written notice, except in the case of an emergency or when Mortgagor or any tenant has abandoned the Premises, in which case no notice shall be required.

(l) Mortgagor hereby agrees unconditionally and absolutely to defend, indemnify and hold harmless Mortgagee and its directors, officers, employees, and agents from and against any and all damages, diminution in value, penalties, fines, losses, liabilities, causes of actions, suits, claims, demands, costs and expenses (including all out-of-pocket litigation costs and the reasonable fees and expenses of counsel and the costs and related expenses of any clean-up) of any nature, directly or indirectly arising out of or in connection with: (i) the inaccuracy or

incompleteness of any representation or warranty provided in this Section 1.16; (ii) any Environmental Activity, including, without limitation, the existence, use, generation, migration, storage, release, threatened release, or disposal of Hazardous Materials on, onto, from or under the Premises; and (iii) any failure by Mortgagor to comply with the terms of any order of any federal, state or local authority having regulatory authority over environmental matters; and (iv) any remediation, removal, clean-up, containment, damages, fines paid to third parties on account of tort, nuisance or other liability and all legal and consultant fees associated therewith. The liability of Mortgagor shall not include any damages from Hazardous Materials that are used, generated, stored, released, threatened to be released, or disposed of on the Premises or migrates to the Premises which Mortgagor can prove occurred after Mortgagee or Mortgagee's successor-in-interest acquires fee title to the Premises, so long as Mortgagor has in no way either directly or indirectly been responsible for such damage. Mortgagor's obligations under this section shall survive the closing, disbursement of the Loan funds, payment of the Note, any discharge or foreclosure of this Mortgage, conveyance by deed in lieu of foreclosure, and any subsequent conveyance of the Premises, but shall not include costs due to the presence of Hazardous Materials which are found to have been placed on or arrived at the Property subsequent to Lender's acquiring title by foreclosure or deed-in-lieu of foreclosure.

Notwithstanding the foregoing, however, in the event Mortgagor timely and fully pays and satisfies its obligations under the Loan Documents in accordance with the terms thereof without Mortgagee having to exercise its remedies under the Loan Documents, Mortgagor's obligations under this Section shall terminate two (2) years subsequent to the full and complete payment of the Note and satisfaction of Mortgagor's obligations to Mortgagee under the Loan Documents.

(m) Mortgagor hereby grants and conveys to Mortgagee, any assignee, any prospective bidder at any foreclosure sale and their respective officers, directors, employees, agents and independent contractors an easement to enter on and upon the Premises at any time and from time to time (subject to the rights of the tenant under the lease) for the purpose of making such audit tests, inspections, and examinations, including subsurface exploration and testing (collectively, "Tests and Studies"), as Mortgagee, in its discretion, deems necessary, convenient, or proper to determine whether the ownership, use and operation of the Premises and the conduct of the activities engaged in thereon are in compliance with this Section 1.16. Any such investigation or exploration will be conducted only at a time that the Mortgagee has strong reason to believe that the ownership and use of Premises is not in compliance with this Section 1.16. Mortgagee, or its designated agents, shall have the right to inspect and copy all of Mortgagor's records relating to environmental matters and to enter all buildings or facilities of Mortgagor for such purpose. In confirmation of Mortgagee's right to inspect and copy all of Mortgagor's records relating to environmental matters and to secure Mortgagor's obligations to Mortgagee in connection with the Loan, and under this Mortgage, Mortgagor hereby grants to Mortgagee a continuing security interest in and to all of Mortgagor's existing and future records with respect to environmental matters, whether or not located with Mortgagor or some third party (including any federal, state, or local agency or instrumentality), and whether or not written, photographic, or computerized, and the proceeds and products thereof. Mortgagee, or its designated agent, may interview any or all of Mortgagor's agents and employees regarding environmental matters, including any consultants or experts retained by Mortgagor, all of whom are directed to discuss environmental issues fully and openly with Mortgagee or its designated

agent to provide such information as may be requested. All of the costs and expenses incurred by Mortgagee with respect to the Tests and Studies, including, without limitation, audits, tests, inspections, and examination which Mortgagee may conduct, including the fees of the engineers, laboratories, and contractors, and including the costs of repair of any physical injury to the Premises incidental to the Tests and Studies, shall be paid upon demand of Mortgagee by Mortgagor. Mortgagee may, but shall not be required to, advance such costs and expenses on behalf of Mortgagor. All sums so advanced shall bear interest at the highest rate provided with respect to the Loan.

(n) The easement granted hereby shall exist and continue until such time as all sums owed by Mortgagor to Mortgagee in connection with the Loan have been repaid in full and this Mortgage has been released of record. A release of this Mortgage shall evidence a termination of the easement.

(o) Mortgagor acknowledges that no adequate remedy at law exists for a violation of the easement granted hereby and agrees that Mortgagee shall have the right to enforce the easement granted hereby by equitable writ or decree, including temporary and preliminary injunctive relief. In the event Mortgagee is required to enforce its rights hereunder Mortgagor shall pay all of Mortgagee's costs and expenses in connection therewith, including all attorney's fees, costs and expenses incurred by Mortgagee. If Mortgagee is refused the right of entry and inspection by the Mortgagor or any tenant of the Premises, or is otherwise unable to enter and conduct Tests and Studies on the Premises without a breach of peace, Mortgagee may obtain an order from a court of competent jurisdiction, the appointment of a receiver, or both, to enable Mortgagee to exercise its rights under this section. In that regard, the decision of Mortgagee as to whether there exists a release or threatened release of Hazardous Materials onto the Premises shall be deemed reasonable and conclusive as between the parties hereto. The results of all Tests and Studies shall be and at all times remain the property of Mortgagee and under no circumstances shall Mortgagee have any obligation whatsoever to disclose or otherwise make available to Mortgagor or any other party such results or any other information obtained by them in connection with such Tests and Studies.

(p) Notwithstanding the provisions of this section, Mortgagee hereby reserves the right, and Mortgagor hereby expressly authorizes Mortgagee to make available to any party (including without limitation any governmental agency or authority and any prospective bidder at any foreclosure sale of the Premises), any and all information which Mortgagee may have with respect to the Premises, whether provided by Mortgagor or any third party or obtained as a result of Tests and Studies, including without limitation, environmental reports, surveys and engineering reports. Mortgagor consents to Mortgagee notifying any party (either as part of a notice of sale or otherwise) of the availability of any or all of the Tests and Studies and the information contained therein. Mortgagor acknowledges that Mortgagee cannot control or otherwise assure the truthfulness or accuracy of the Tests and Studies, and that the release of Tests and Studies or any information contained therein to prospective bidders at any foreclosure sale of the Premises may have a material and adverse effect upon the amount which a party may bid at such sale. Mortgagor agrees that Mortgagee shall have no liability whatsoever as a result of delivering any or all of the Tests and Studies or any information contained therein to any third party, and Mortgagor hereby releases, remises and forever discharges Mortgagee from any and all claims,

damages, or causes of action, arising out of, connected with or incidental to the Tests and Studies or their delivery thereof

(q) The foregoing easement shall be assignable and shall be considered assigned to whomever holds the indebtedness secured by this Mortgage.

(r) The foregoing easement is irrevocable and may not be revoked by Mortgagor.

(s) The exercise of the easements rights granted hereunder shall not constitute Mortgagee a mortgagee in possession with respect to the Premises.

(t) The foregoing easement is intended to be and shall be construed as an interest in the Premises and as an easement in gross. It is not intended to be a personal right of Mortgagee or a mere license.

1.17 Professional Leasing and Management.

Mortgagor agrees to employ experienced professionals, reasonably acceptable to Mortgagee, to lease and manage the Premises.

1.18 Special Collateral Covenants.

Without in any way affecting Mortgagee's security interest in the Collateral, and except as may be set forth specifically to the contrary in any other provisions of this Mortgage, it is expressly understood and agreed as follows: (a) Mortgagor shall, at Mortgagor's expense, promptly take all actions reasonably necessary to obtain all proceeds to which Mortgagor is entitled in connection with the Collateral, including, without limitation, the filing of any application or claims and the prosecution of appeals or litigation, if necessary; (b) subject to the license to collect rents established by the Assignment of Rents and Leases, Mortgagor shall direct the payor with regard to any of the Collateral to remit same directly to Mortgagee when due; (c) if an Event of Default has occurred, Mortgagor shall notify Mortgagee in writing of all actions taken by Mortgagor pursuant to this section, and of all proceeds received by Mortgagor as a result thereof and shall remit same to Mortgagee; (d) if an Event of Default has occurred, the proceeds of any of the Collateral received by Mortgagee shall be applied toward the repayment of the amount due under the Note, and (e) effective upon the occurrence of an Event of Default, Mortgagee shall be and is irrevocably appointed as Mortgagor's attorney-in-fact (such power of attorney being deemed to be coupled with an interest) to take all such actions on behalf of Mortgagor that Mortgagee deems necessary and expedient in order to obtain all proceeds to which Mortgagor is entitled with respect to any of the Collateral.

ARTICLE TWO: DEFAULT AND REMEDIES

2.1 Events of Default.

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In addition to the occurrence of any event designated to be an Event of Default hereunder or under any other "Loan Document" (as defined in the Note), any of the following events shall be deemed to be an "Event of Default" hereunder:

(a) Failure to make any payment when due in accordance with the terms of the Note or this Mortgage.

(b) Failure to perform any of the other terms, covenants and conditions in the Note, this Mortgage, any other instrument now or hereafter constituting additional security for the indebtedness secured hereby, or the Assignment of Rents, Leases and Other Benefits, all of even date herewith, and provided that such failure is of such a nature that it can be cured, the continuance of such failure for a period of more than thirty (30) days after the giving of written notice of such failure from Mortgagee to Mortgagor; provided, however, that if such failure is of such a nature that it cannot be cured within such initial thirty (30) day period, Mortgagor shall have such additional time, not to exceed an additional one hundred and fifty (150) days, as is necessary to cure such failure provided that Mortgagor has commenced to cure such failure within the initial thirty (30) day period and thereafter diligently and continuously pursues such curing to completion. Notwithstanding anything to the contrary contained herein (i) if another provision of this Mortgage or the applicable Loan Document provides for a cure period which is different from the cure period provided for in the immediately preceding sentence, such different cure period shall apply in lieu of the cure period provided for in the immediately preceding sentence, and (ii) Mortgagor shall not be entitled to receive any written notice or have the benefit of any grace period if such breach involves the breach of the provisions of Section 1.10 hereof.

(c) A transfer or encumbrance occurs without the prior written consent of Mortgagee, as governed by the provisions of Section 1.7 or 1.10 above.

(d) Breach, in any material respect, of any warranties or representations given by Mortgagor to Mortgagee.

(e) An event of default under, or institution of foreclosure or other proceedings to enforce any second mortgage or junior security interest, lien or encumbrance of any kind upon the Premises or any portion thereof.

(f) Should Mortgagor, or any Guarantor of the Note, or any successors and assigns thereof, including without limitation the then current owners of any interest in the Premises:

(1) file a petition under the Federal Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing (hereafter referred to as a "Bankruptcy Proceeding"); or

(2) file any answer admitting insolvency or inability to pay its debts; or

(3) fail to obtain a vacation or stay of any involuntary Bankruptcy Proceeding within forty-five (45) days; or

(4) be the subject of an order for relief against it in any Bankruptcy Proceeding; or

(5) have a custodian or trustee or receiver appointed for or have any court take jurisdiction of its property, or any part thereof, in any involuntary proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation if such custodian or trustee or receiver shall not be discharged or if such jurisdiction shall not be relinquished, vacated or stayed on appeal or otherwise within forty-five (45) days; or

(6) make an assignment for the benefit of its creditors; or

(7) admit in writing its inability to pay its debts generally as they become due; or

(8) consent to an appointment of a custodian or trustee or receiver all of its property, or any part thereof.

2.2 Remedies.

(a) Upon and after any such Event of Default, Mortgagee may declare (without further notice) the entire principal of the Note then outstanding (if not then due and payable), and all accrued and unpaid interest thereon, all premiums payable thereunder and all other obligations of Mortgagor hereunder to be due and payable immediately, and upon any such declaration the principal of the Note and said accrued and unpaid interest, and premiums and other obligations of Mortgagor, shall become and be immediately due and payable, anything in the Note or in this Mortgage to the contrary notwithstanding.

(b) Upon and after any such Event of Default, Mortgagee personally, or by its agents or attorneys, without regard to the adequacy of any security for the indebtedness secured hereby, may enter into and upon, and take possession of, or any part of the Premises, and each and every part thereof, and may exclude Mortgagor, its agents and servants wholly therefrom; and having and holding the same, may use, operate, manage and control the Premises and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, Mortgagee at the expense of Mortgagor, from time to time, either by purchase, repairs or construction may maintain and restore the Premises whereof it shall become possessed as aforesaid, may complete the construction of the improvements and in the course of such completion may make such changes in the contemplated improvements as it may deem desirable and may insure the same; and likewise, from time to time, at the expense of Mortgagor, Mortgagee may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as it may deem advisable; and in every such case Mortgagee shall have the right to manage and operate the Premises and to carry on the business thereof and exercise all rights and powers of Mortgagor with respect thereto either in the name of Mortgagor or otherwise as it shall deem best; and with or without possession Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Premises and every part thereof, all of which shall for all

purposes constitute property of Mortgagee; and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other proper charges upon the Premises or any part thereof, as well as just and reasonable compensation for the services of Mortgagee and for all attorneys, counsel, agents, clerks, servants, receivers and other employees by it properly engaged and employed, Mortgagee shall, at its sole option, either (i) apply the monies arising as aforesaid, first, to the payment of the principal of the Note and the interest thereon, when and as the same shall become payable and second, to the payment of any other sums required to be paid by Mortgagor under this Mortgage or (ii) hold such monies as additional security pending any foreclosure sales.

(c) Upon and after any such Event of Default, Mortgagee shall have all of the remedies of a Secured Party under the Uniform Commercial Code, including without limitation the right and power to sell, or otherwise dispose of, the Collateral, or any part thereof, and for that purpose may take immediate and exclusive possession of the Collateral, or any part thereof, and with or without judicial process, enter upon any Premises on which the Collateral, or any part thereof, may be situated and remove the same therefrom without being deemed guilty of trespass and without liability for damages thereby occasioned, or at Mortgagee's option Mortgagor shall assemble the Collateral and make it available to Mortgagee at the place and at the time designated in the demand. Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale. Mortgagee without removal may render the Collateral unusable and dispose of the Collateral on the Premises. To the extent permitted by law, Mortgagor expressly waives any notice of sale or other disposition of the Collateral, and to the extent any such notice is required and cannot be waived, Mortgagor agrees that as it relates to this paragraph (c) only if such notice is mailed, postage prepaid, to Mortgagor at the above address at least five (5) days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said notice.

(d) Upon and after any such Event of Default, Mortgagee, with or without entry, personally or by its agents or attorneys, insofar as applicable, may, without notice to Mortgagor unless specifically required by law:

(1) sell the Premises to the extent permitted and pursuant to the procedures provided by law, and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, at one or more sales as an entity or in parcels, and at such time and place and upon such terms and after such notice thereof as may be required or permitted by law; or

(2) institute proceedings for the complete or partial foreclosure of this Mortgage in which case the Premises may be sold for cash or credit in one or more parcels. At any such sale by virtue of any judicial proceedings or any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Mortgagor shall be completely and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Mortgagor, and against all other persons claiming or to claim the property sold or any part thereof, by,

through or under Mortgagor. Mortgagee may be a purchaser at such sale and if Mortgagee is the highest bidder, may credit the portion of the purchase price that would be distributed to Mortgagee against the indebtedness owing Mortgagee in lieu of paying cash; or

(3) Make application to a court of competent jurisdiction for, and obtain from such court as a matter of strict right and without notice to Mortgagor or regard to the adequacy of the Premises for the repayment of the note and other indebtedness owing Mortgagee, the appointment of a receiver of the Premises and all of the earnings, revenues, issues, profits and income thereof, and Mortgagor irrevocably consents to such appointment and agrees not to contest such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Premises; or

(4) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note, or in this Mortgage, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect.

(e) Mortgagee may postpone sale of all or any portion of the Premises by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time and place fixed by the preceding postponement; and, except as otherwise provided by any applicable provision of law, Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so postponed.

(f) Any sale or sales made under or by virtue of this section whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divert all estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the Premises and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Mortgagor.

(g) In the event of any sale made under or by virtue of this section (whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale), the entire principal of, and interest on, the Note, if not previously due and payable, and all other sums required to be paid by Mortgagor pursuant to this Mortgage, immediately prior thereto, shall become due and payable unless such acceleration be expressly waived in writing by Mortgagee.

(h) The purchase money, proceeds, or avails of any sale made under or by virtue of this section, together with any other sums which then may be held by Mortgagee under the provisions of this section or otherwise, shall be applied in accordance with the "Act" (as hereinafter defined). To the extent consistent with said Act, purchase money proceeds or avails

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of such sale together with any other sums which may be held by Mortgagee under the provisions of this Section or otherwise shall be applied as follows:

First: To the payment of the whole amount then due, owing and unpaid upon the Note for principal.

Second: To the payment of the whole amount then due, owing and unpaid upon the Note for interest.

Third: To the payment of any other sums required to be paid by Mortgagor pursuant to any provisions of this Mortgage or of the Note, including any accrued and unpaid interest on advances made under this Mortgage.

Fourth: To the payment of the costs and expenses of such sale, including reasonable compensation to Mortgagee, its agents and counsel, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Mortgagee under this Mortgage.

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

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

2.3 Protective Advances.

All advances, disbursements and expenditures made by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Act (collectively "Protective Advances"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(a) all advances by Mortgagee in accordance with the terms of this Mortgage to: (1) preserve or maintain, repair, restore or rebuild the improvements upon the Premises; (2) preserve the lien of this Mortgage or the priority thereof; or (3) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 5/15-1302 of the Act;

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(b) payments by Mortgagee of: (1) when due installments of principal, interest or other obligations in accordance with the terms of any senior mortgage, tax lien, mechanics' lien or other allegedly prior lien or encumbrance; (2) when due installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Premises or any part thereof; (3) other obligations authorized by this Mortgage; (4) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act; or (5) to preserve, protect, defend and perfect the validity, priority or perfection of this Mortgage or any other Loan Documents;

(c) advances by Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages, tax lien, mechanics' lien or any other allegedly prior liens or encumbrances;

(d) attorneys' fees and other costs incurred: (1) in connection with the foreclosure of this Mortgage as referred to in Sections 1504(d)(2) and 5/15-1510 of the Act; (2) in connection with any action, suit or proceeding brought by or against the Mortgagee for the enforcement of this Mortgage or arising from the interest of the Mortgagee hereunder, or in any other; (3) in the preparation for the commencement or defense of any such foreclosure or other action related to this Mortgage or the Mortgaged Property; or (4) or in any other action or proceeding in which Mortgagee may be involved by virtue of this Mortgage or any other Loan Documents;

(e) Mortgagee's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 5/15-1508 of the Act;

(f) expenses deductible from proceeds of sale as referred to in subsections (a) and (b) of Section 5/15-1512 of the Act;

(g) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (1) if the Premises or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof which are required to be paid; (2) if Mortgagor's interest in the Premises is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (3) premiums for casualty and liability insurance paid by Mortgagee, whether or not Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or Mortgagee takes possession of the Premises imposed by Subsection (c)(1) of Section 5/15-1704 of the Act; (4) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (5) payments required or deemed by Mortgagee to be for the benefit of the Premises or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Premises; (6) shared or common expense assessments payable to any association or corporation in which the owner of the Premises is a member in any way affecting the Premises;

(7) if the loan secured hereby is a construction loan, costs incurred by Mortgagee for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment, loan agreement or other agreement; (8) pursuant to any lease or other agreement for occupancy of the Premises for amounts required to be paid by mortgagor; and (9) if this Mortgage is insured, payments of FNA or private mortgage insurance required to keep insurance in force.

All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the "Default Rate" (as defined in the Note).

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b)(1) of Section 5/15-1302 of the Act.

All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

(i) determination of the amount of indebtedness secured by this Mortgage at any time;

(ii) the indebtedness found due and owing to the Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(iii) determination of amount deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;

(iv) application of income in the hands of any receiver or Mortgagee in possession; and

(v) computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Section 5/15-1508 and Section 5/15-1511 of the Act.

2.4 Mortgagee in Possession.

In addition to any provision of this Mortgage authorizing the Mortgagee to take or be placed in possession of the Premises, or for the appointment of a receiver, Mortgagee shall have the right, in accordance with Sections 5/15-1701 and 5/15-1702 of the Act, to be placed in possession of the Premises or at its request to have a receiver appointed, and such receiver, or Mortgagee, if and when placed in possession, shall have, in addition to any other powers provided in the Mortgage, all powers, immunities, and duties as provided for in Sections 5/15-1701 and 5/15-1703 of the Act.

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2.5 Cumulative Remedies.

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The rights and remedies of Mortgagee under this Mortgage are cumulative and are not in lieu of, but are in addition to, any other rights or remedies which Mortgagee shall have under the Note, Mortgage, or any other loan document, or at law or in equity.

ARTICLE THREE: MISCELLANEOUS

3.1 Leases.

In the event Mortgagee shall institute judicial proceedings to foreclose the lien hereof, and shall be appointed as a receiver or a mortgagee in possession of the Premises, Mortgagee during such time as it shall be a receiver or mortgagee in possession of the Premises pursuant to an order or decree entered in such judicial proceedings, shall have, and Mortgagor hereby gives and grants to Mortgagee, the right, power and authority to make and enter into leases of the Premises or the portions thereof for such rents and for such periods of occupancy and upon such conditions and provisions as such receiver or mortgagee in possession may deem desirable, and Mortgagor expressly acknowledges and agrees that the term of any such lease may extend beyond the date of any sale of the Premises pursuant to a decree rendered in such judicial proceedings; it being the intention of Mortgagor that while Mortgagee is a receiver or mortgagee in possession of the Premises pursuant to an order or decree entered in such judicial proceedings, Mortgagee shall be deemed to be and shall be the attorney-in-fact of Mortgagor for the purpose of making and entering into leases of parts or portions of the Premises for the rents and upon the terms, conditions and provisions deemed desirable to Mortgagee and with like effect as if such leases had been made by Mortgagor as the owner in fee simple of the Premises free and clear of any conditions or limitations established by this Mortgage. The power and authority hereby given and granted by Mortgagor to Mortgagee shall be deemed to be coupled with an interest and shall not be revocable by Mortgagor.

Mortgagee is authorized to foreclose this Mortgage subject to the rights of any tenants of the Premises, and the failure to make any such tenants parties defendant to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted by Mortgagor to be, a defense to any proceedings instituted by Mortgagee to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Premises. Unless otherwise agreed by Mortgagee in writing, all leases and tenancies of the Premises executed subsequent to the date hereof, or any part thereof, shall be subordinate and inferior to the lien of this Mortgage, except that from time to time Mortgagee may execute and record among the land records of the jurisdiction where this Mortgage is recorded, subordination statements with respect to such of said leases as Mortgagee may designate, whereby the leases so designated by Mortgagee will be made superior to the lien of this Mortgage. From and after the recordation of such subordination statements, the leases therein referred to shall be superior to the lien of this Mortgage and shall not be affected by any foreclosure hereof. All such leases and tenancies shall contain a provision to the effect that the tenant recognizes the right of Mortgagee to effect such subordination of this Mortgage and consents thereto.

3.2 Taxation of Note and Mortgage.

If at any time before the debt hereby secured is fully paid, any law be enacted imposing upon Mortgagee the obligation for the payment of the whole or any part of the taxes or assessments or charges or liens now required to be paid by Mortgagor, or revising or changing in any way the laws now in force for the taxation of mortgages, deeds of trust, or bonds, or the debts secured thereby, or the manner of collection of such taxes, so as to affect adversely this Mortgage or the debt hereby secured, or the owner and holder thereof, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall promptly pay such taxes or assessments, or promptly reimburse Mortgagee therefor; provided, however, that if Mortgagee determines (a) it might be unlawful to require Mortgagor to make such payment, or (b) the making of such payment by Mortgagor might result in the imposition of interest beyond the maximum amount permitted by law, then Mortgagee may elect, upon sixty (60) days notice to Mortgagor, to declare all of the indebtedness secured hereby to be immediately due and payable. Mortgagor's failure or refusal to make such payment or reimbursement shall constitute an Event of Default. Anything to the contrary herein notwithstanding, Mortgagor shall have no obligation to pay any franchise, income, excess profits or similar tax levied on Mortgagee or on the debt secured hereby.

3.3 Marshaling of Assets.

Mortgagor on its own behalf and on behalf of its successors and assigns of any portion of the Premises, and of future lienholders or any estate or interest of Mortgagor hereunder, hereby expressly waives all rights to require a marshaling of assets by Mortgagee or to require Mortgagee, upon a foreclosure, to first resort to the sale of any portion of the Premises which might have been retained by Mortgagor, or any future lienholder who might succeed to the title of Mortgagor, or could possibly be retained by any future lienholder who might succeed to the title of Mortgagor, before foreclosing upon and selling any other portion as may be conveyed by Mortgagor subject to this Mortgage.

3.4 Partial Release.

Without affecting the liability of any other person for the payment of any indebtedness herein mentioned (including Mortgagor should it convey said Premises) and without affecting the priority of the lien hereof upon any property not released, Mortgagee may, without notice, release any person so liable, extend the maturity or modify the terms of any such obligation, or grant other indulgences, release or reconvey or cause to be released or reconveyed at any time all or any part of the Premises described herein, take or release any other security or make compositions or other arrangements with debtors. Mortgagee may also accept additional security, either concurrently herewith or hereafter, and sell the same or otherwise realize thereon either before, concurrently with, or after sale hereunder.

3.5 Non-Waiver.

(a) By accepting payment of any sum secured hereby after its due date or altered performance of any obligation secured hereby, Mortgagee shall not waive its right against

any person obligated directly or indirectly hereunder or with respect to any indebtedness hereby secured, either to require prompt payment when due of all other sums so secured or to take remedy for failure to make such prompt payment or full performance. No exercise of any right or remedy by Mortgagee hereunder shall constitute a waiver of any other right or remedy herein contained or provided at law or in equity.

(b) No delay or omission of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

(c) Receipt of rents, awards, and any other monies or evidences thereof, pursuant to the provisions of this Mortgage and any disposition of the same by Mortgagee shall not constitute a waiver of the right of foreclosure by Mortgagee in the Event of Default or failure of performance by Mortgagor of any covenant or agreement contained herein or in any note secured hereby.

3.6 Protection of Security.

Should Mortgagor fail to make any payment or to perform any covenant as herein provided, Mortgagee (but without obligation to do so and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation hereof) may: make or do the same in the manner and to such extent as Mortgagee may deem necessary to protect the security hereof, Mortgagee being authorized to enter upon the Premises for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of Mortgagee is, or may be, prior or superior hereto and, in exercising any such power, incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title and reasonable counsel fee. Any expenditures in connection herewith shall constitute part of the indebtedness secured by this Mortgage.

3.7 Rule of Construction.

When the identity of the parties hereto or other circumstances make it appropriate, the masculine gender shall include the feminine and/or neuter, and the singular number shall include the plural. The headings are for information and convenience and do not limit the contents of any provision hereof. The language in all parts of this Mortgage shall be in all cases construed simply, according to its fair meaning and not for or against Mortgagor or Mortgagee, regardless of which party drafted the particular language which is being construed, both parties having been represented by adequate counsel.

3.8 Severability.

If any term of this Mortgage, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Mortgage, or the application of such term to persons or circumstances other than those as to which it is invalid or

unenforceable, shall not be affected thereby, and each term of this Mortgage shall be valid and enforceable to the fullest extent permitted by law.

3.9 Successors in Interest.

This Mortgage applies to, inures to the benefit of, and is binding not only on the parties hereto, but also on their heirs, executors, administrators, successors and assigns. All obligations of Mortgagee hereunder are joint and several. The term "Mortgagee" shall mean the holder and owner, including pledgees, of the Note, whether or not named as Mortgagee herein. Mortgagor hereby acknowledges Mortgagee's right to transfer this Mortgage and the other Loan Documents, including the right to issue participation interests in the indebtedness secured hereby to any other person or entity, including, without limitation, an affiliate company of Mortgagee.

3.10 Notices.

All notices to be given pursuant to this Mortgage shall be sufficient if mailed either (1) by postage prepaid, certified or registered mail, return receipt requested, or (2) by delivery to a nationally recognized overnight delivery service, to the above described addresses of the parties hereto, or to such other address as a party may request in writing. Any time period provided in the giving of any notice hereunder shall commence upon the date such notice is deposited in the mail or delivered to said overnight delivery service, as the case may be.

3.11 Modifications.

This Mortgage may not be amended, modified or changed nor shall any waiver of any provision hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

3.12 Governing Law.

This Mortgage shall be construed according to and governed by the laws of the State of Illinois.

3.13 Mortgage Irrevocable.

This Mortgage is irrevocable by Mortgagor.

3.14 Attorneys' Fees.

Mortgagor shall forthwith pay to Mortgagee the amount of all attorneys' fees and costs incurred by Mortgagee under and pursuant to this Mortgage, the Note, the Assignment of Rents or any other agreement given to Mortgagee as security for the Note or in connection with any transaction contemplated hereby or thereby, or with respect to the Premises or any defense or

protection or enforcement of Mortgagee's security interest in the Premises which Mortgagee believes is necessary or desirable (whether or not Mortgagee files a lawsuit against Mortgagor and including, without limitation, a judicial foreclosure action or a non-judicial foreclosure proceeding) in the event Mortgagee retains counsel, or incurs costs in order to: obtain legal advice; enforce, or seek to enforce, any of its rights; commence, intervene in, respond to or defend any action or proceeding; file or prosecute a claim in any action or proceeding (including, without limitation, any probate claim, bankruptcy claim, third-party claim, or secured creditor claim); protect, obtain possession of, lease, dispose of or otherwise enforce Mortgagor's right, title and interest in the Premises or any portion thereof; obtain the appointment of a receiver, or; represent Mortgagee in any litigation with respect to Mortgagor's affairs. In addition to the foregoing attorneys' fees, Mortgagee shall be entitled to its attorneys' fees and costs incurred in any post judgment proceedings to enforce any judgment in connection with the matters described above. This provision is separate and several and shall survive the merger of this provision into any judgment.

3.15 WAIVER OF JURY TRIAL.

AFTER CONSULTATION WITH COUNSEL, MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT MORTGAGOR MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED UPON THIS MORTGAGE, AS THAT TERM IS DEFINED IN THE NOTE OR ARISING OUT OF, UNDER OR IN CONNECTION WITH ANY OF THE OTHER "LOAN DOCUMENTS" (AS THAT TERM IS DEFINED IN THE NOTE), OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF MORTGAGOR OR MORTGAGEE AND ACKNOWLEDGES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE MAKING THE LOAN EVIDENCED BY THE NOTE WHICH IS SECURED BY THIS MORTGAGE.

3.16 Limitation of Beneficiary's Liability.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, Mortgagee acknowledges and agrees that Beneficiary's liability under the Note and the Loan Documents, except for the Environmental Agreement and Indemnity, is limited as expressly set forth in the Note, the terms of which are hereby incorporated herein by this reference.

3.17 Bankruptcy Conditions.

In the event Borrower shall file any Petition under Title 11 of the U.S. Code, as amended, or be the subject of any order for relief issued under such Title 11 of the U.S. Code, as amended, or file for or be the subject of any petition seeking any liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or other relief for debtors, and upon motion filed by Mortgagee with the court having jurisdiction over such proceeding, Mortgagor hereby consents to the granting of immediate relief from any automatic stay imposed by Section 362 of Title 11 of the U.S. Code, as amended or otherwise, on or against the exercise of the rights and remedies otherwise available to Mortgagee as provided in the Loan Documents, and as otherwise provided by law.

3.18 Counterparts.

This Mortgage and Security Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.19 Waiver of Redemption.

To the fullest extent permitted by law, Mortgagor hereby irrevocably and unconditionally waives and releases all benefit that might accrue to Mortgagor by virtue of any present or future statute of limitations or law or judicial decision exempting the Premises from attachment, levy or sale on execution or providing for any reinstatement, appraisalment, valuation, stay of execution, exemption from civil process or extension of time for payment. Mortgagor acknowledges that the Premises does not constitute agricultural real estate, as said term is defined in Section 5/15-1201 of the Act or residential real estate as defined in Section 5/15-1219 of the Act. Pursuant to Section 5/15-1601(b) of the Act, Mortgagor hereby waives any and all right to redemption.

3.20 Business Loan.

Land Trustee represents and agrees, and Beneficiary by execution and delivery of this Mortgage and the direction to Land Trustee to execute this Mortgage, warrants, represents and agrees, that the proceeds of the Note have been or will be used for the purposes specified in 815 ILCS 205/4(c), and that the indebtedness evidenced by the Note constitutes a business loan which comes within the purview of said statute.

3.21 Benefits of Act.

Mortgagor and Mortgagee shall have the benefit of all of the provisions of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et. seq.) (the "Act"), including all amendments thereto which may become effective from time to time after the date hereof. If any provision of the Act which is specifically referred to herein is repealed, Mortgagee shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference.

3.22 Land Trust Exculpation.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the LaSalle National Bank, as trustee, while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said trustee are nevertheless each and every one of them, made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements by the trustee or for the purpose or with the intention of binding said trustee personally, but are made and intended for the purpose of binding only the trust property specifically described herein, and this instrument is executed and delivered by said trustee not in its own right, but solely in the exercise of the powers conferred upon it as such trustee, and that

no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against said trustee under the trust agreement, on account of this instrument or on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the said trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released.

3.23 Illinois Collateral Protection Act.

By executing this Mortgage, the Mortgagor agrees that, pursuant to this Mortgage, it has been given the following notice pursuant to the Illinois Collateral Protection Act (815 ILCS 180/15).

"Unless you provide us with evidence of the insurance coverage required by your agreement with us, we may purchase insurance at your expense to protect our interests in your collateral. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the collateral. You may later cancel any insurance purchased by us, but only after providing us with evidence that you have obtained insurance as required by our agreement. If we purchase insurance for the collateral, you will be responsible for the costs of that insurance, including interest and any other charges we may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to your total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own."

It is expressly understood that, in accordance, with Section 1.5 of this Mortgage, Mortgagor is only required to maintain liability insurance.

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IN WITNESS WHEREOF, Mortgagor has caused this instrument to be signed and sealed as of the date first above written.

LaSalle National Bank, Land Trustee
u/t No. 100497 and not personally

By: [Signature]
Name: Joseph W. Lang
Its: Trustee Sr. Vice President

AND ITS SOLE BENEFICIARY:

Northwestern Ventures Limited Partnership,
a Delaware limited partnership

By: Northwestern Ventures, Inc.,
an Illinois corporation, General Partner

By: [Signature]
Robert H. Lane
Its: President

Property of Cook County Clerk's Office

STATE OF ILLINOIS)

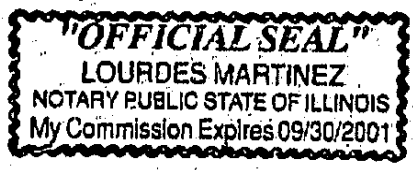
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COUNTY OF COOK)

I, Lourdes Martinez, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that LaSalle National Bank, is the trustee, not personally but solely, under the Trust Agreement, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such trustee, appeared before me this day in person and acknowledged that (he/she) signed and delivered the said instrument as (his/her) own free and voluntary act and as the free and voluntary act of said Trust Agreement, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21st day of October, 1998

[Signature]
Notary Public



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STATE OF MASSACHUSETTS)
)ss
COUNTY OF Norfolk)

I, Gayle R Smith, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Robert H. Lane, President of Northwestern Ventures, Inc., an Illinois corporation, general partner to Northwestern Ventures Limited Partnership, a Delaware limited partnership ("Beneficiary"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner, 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 limited partnership, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 19th day of October, 1998.

Gayle R. Smith
Notary Public June 30, 2000



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EXHIBIT A

PARCEL 1:

LOTS 1 TO 8, BOTH INCLUSIVE, IN BLOCK 26 IN ALBERT CROSBY AND OTHERS' SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 1, 2, 3 AND 4 IN DELAMATER'S RESUBDIVISION OF LOTS 24, 25 AND 26 IN BLOCK 26 IN ALBERT CROSBY AND OTHERS' SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

VACATED ALLEYS IN BLOCK 26 IN CROSBY AND OTHERS' SUBDIVISION AND VACATED PART OF ARTESIAN AVENUE, AS FOLLOWS:

ALL OF THE NORTH AND SOUTH 14 FOOT ALLEY LYING WEST OF AND ADJOINING THE WEST LINE OF LOTS 1 TO 6, BOTH INCLUSIVE, IN BLOCK 26 IN ALBERT CROSBY AND OTHERS' SUBDIVISION OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN; LYING EAST OF AND ADJOINING THE EAST LINE OF LOT 1 IN F. C. DELAMATER'S RESUBDIVISION OF LOTS 24, 25 AND 26 IN BLOCK 26 IN ALBERT CROSBY AND OTHERS' SUBDIVISION, AFOREMENTIONED; AND NORTHEASTERLY OF AND ADJOINING THE SOUTHWESTERLY LINE OF SAID LOT 6 IN BLOCK 26 IN ALBERT CROSBY AND OTHERS' SUBDIVISION, AFOREMENTIONED, PRODUCED NORTHWESTERLY TO THE SOUTHEAST CORNER OF SAID LOT 1 IN F. C. DELAMATER'S RESUBDIVISION, AFOREMENTIONED;

ALL OF THE NORTHWESTERLY AND SOUTHEASTERLY PUBLIC ALLEY LYING SOUTHWESTERLY OF AND ADJOINING THE SOUTHWESTERLY LINE OF LOTS 6, 7 AND 8 IN BLOCK 26 IN ALBERT CROSBY AND OTHERS' SUBDIVISION, AFOREMENTIONED; LYING SOUTHWESTERLY OF AND ADJOINING THE SOUTHWESTERLY LINE OF LOTS 1 TO 4, BOTH INCLUSIVE, IN F. C. DELAMATER'S RESUBDIVISION, AFOREMENTIONED; AND LYING SOUTHWESTERLY OF AND ADJOINING THE SOUTHWESTERLY LINE OF SAID LOT 6 IN BLOCK 26 IN ALBERT CROSBY AND OTHERS' SUBDIVISION, AFOREMENTIONED, PRODUCED NORTHWESTERLY TO THE SOUTHEAST CORNER OF SAID LOT 1 IN F. C. DELAMATER'S RESUBDIVISION, AFOREMENTIONED; AND LYING NORTHEASTERLY OF AND ADJOINING THE NORTHEASTERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY AND LYING NORTHWESTERLY OF AND ADJOINING THE EAST LINE OF LOT 8 IN BLOCK 26 IN ALBERT CROSBY AND OTHERS' SUBDIVISION, AFOREMENTIONED, PRODUCED SOUTH TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY; ALSO

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