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MORTGAGE AND SECURITY AGREEMENT

THIS INDENTURE, herein referred to as "Mortgage," is made August 17, 1990, by and among AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but as trustee under the provisions of a Trust Agreement (the "Trust") dated September 23, 1985, and known as Trust No. 65581 (hereinafter called "Mortgagor") and LESLIE I. PIME, an individual (hereinafter called "Beneficiary") and HAWTHORN REALTY GROUP, INC., an Illinois corporation (hereinafter called "Mortgagee").

W I T N E S S E T H :

WHEREAS, Mortgagor is the legal titleholder and Beneficiary is the sole beneficiary of the Trust which owns certain real property commonly known as the Edens Corporate Center, 630 and 650 West Dundee Road, Northbrook, Illinois and legally described on Exhibit A, which real property is currently improved with one, approximately 184,000 square foot four-story office building, above and below ground parking and landscaping (the "Property"); and

WHEREAS, Beneficiary and Mortgagor have obtained a commitment from Teacher's Insurance and Annuity Association of America, a New York corporation ("TIAA") to provide a \$25,000,000 first mortgage loan on the Property (the "TIAA Loan"); and

WHEREAS, Mortgagor has agreed to borrow from Mortgagee and Mortgagee has agreed to lend to Mortgagor the original principal sum of \$4,400,000 (the "Loan") which sum will be evidenced by a second mortgage note (the "Note") and secured hereby and by other security instruments including but not limited to a guaranty, an assignment of leases, rents and profits, an assignment of beneficial interest, a security agreement and a conversion/option agreement (collectively, the "Collateral Loan Documents"), all of even date herewith; and

WHEREAS, the terms and conditions of the Loan, among other things, (i) allow Mortgagor to defer interest payments under the Note to the extent the Property generates insufficient cash flow as more particularly set forth in the Note, (ii) entitles Mortgagee to share in any appreciation in the value of the Premises during the life of the Loan as more particularly set forth in the Note, and (iii) grants Mortgagee the option to convert its debt holding interest in the Premises to a 75% equity interest in the Premises as more particularly set forth in the "Conversion/Option Agreement" of even date herewith; and

WHEREAS, the simultaneous closing of the TIAA Loan is a condition precedent to the closing of the Loan and the closing of the Loan is a condition precedent to the closing of the TIAA Loan; and

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WHEREAS, as an inducement to Mortgagee for making the Loan to Mortgagor, Mortgagor and Beneficiary have agreed to enter into this Mortgage.

NOW, THEREFORE, to secure the payment of said principal sum of money and said interest in accordance with the terms, provisions and limitations of this Mortgage, and of the Note secured hereby, and the performance of the covenants and agreements contained herein, therein and in the Collateral Loan Documents, by Mortgagor to be performed, and also in consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, Mortgagor and Beneficiary by these presents, MORTGAGE, GRANT, REMISE, ALIEN, CONVEY and GRANT A SECURITY INTEREST IN the Property unto Mortgagee, its successors and assigns.

TOGETHER WITH all and singular the tenements, hereditaments, easements, riparian or other rights and appurtenances thereto belonging or in anywise appertaining, and the rights of Mortgagor, if any, in all adjacent roads, ways, streets and alleys; and all of Mortgagor's rights in the reversion or reversions, remainder and remainders, rents, issues and profits thereof (which are pledged primarily and on a parity with said real estate and not secondarily); and also all the estate, right, title, interest, property, claim and demand whatsoever of Mortgagor, of, in and to the same and of, in and to every part and parcel thereof.

TOGETHER WITH all right, title and interest of Mortgagor in and to all buildings, structures and other improvements now or hereafter erected, constructed or placed in, on, under or upon the above described Property including all building equipment and fixtures of every kind and nature (the "improvements").

TOGETHER WITH all rents, issues and profits thereof under present or future leases, or otherwise, including, without limitation, all accounts receivable, book debts and other forms of obligation belonging or owing to Mortgagor, whether arising from goods sold or services rendered by Mortgagor, or from any other transaction, which are hereby specifically assigned, transferred and set over to Mortgagee.

TOGETHER WITH all leasehold estate, right, title and interest of Mortgagor in any ground lease(s) covering the above described Property or any portion thereof, now or hereafter existing or entered into, as well as to any after acquired fee.

TOGETHER WITH a lien and/or security interest hereby granted to Mortgagee in all machinery, apparatus, equipment, fittings, fixtures, whether actually or constructively attached to said property and including all trade, domestic and

3905986

ornamental fixtures, and articles of personal property of every kind and nature whatsoever (hereinafter collectively called "Personal Property"), now or hereafter owned by Mortgagor or Beneficiary and located in, upon or under said Property or any part thereof and used or useable in connection with any present or future operation of said Property, including but not limiting the generality of the foregoing, all heating, air conditioning, sprinklers, freezing, lighting, laundry, incinerating and dynamo and generating equipment; engines, pipes, pumps, tanks, motors, conduits; switchboards, plumbing and plumbing fixtures; lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus; boilers, ranges, furnaces, oil burners or units thereof; appliances; air-cooling and air-conditioning apparatus; vacuum cleaning systems; elevators, escalators; shades, awnings, screens; storm doors and windows; stoves; wall beds; refrigerators; cooking apparatus and mechanical equipment; gas and electric fixtures; partitions; mantels; built-in mirrors; window shades, blinds; furniture in public spaces, halls and lobbies; attached cabinets; ducts and compressors; rugs and carpets; draperies, furniture and furnishings used in the operation of the Premises (hereinafter defined); together with all additions thereto and replacements thereof, including without limitation any and all property of similar type or kind, hereafter located on or at the Premises (Mortgagor and Beneficiary hereby agreeing with respect to all additions and replacements, to execute and deliver from time to time such further instruments as may be requested by Mortgagee to confirm the conveyance, transfer and assignment of and granting of a security interest in any of the foregoing).

TOGETHER WITH any and all right, title and interest of Mortgagor and Beneficiary to the proceeds of all insurance (including title insurance) in effect with respect to the Premises and to any and all awards or payments, including interest thereon, and the right to receive the same which may be made with respect to the Premises as a result of (a) the exercise of the right of eminent domain; (b) the alteration of the grade of any street; or (c) any other injury to, taking of, or decrease in the value of, the Premises to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by Mortgagee, and of the reasonable counsel fees, costs and disbursements incurred by Mortgagee in connection with the collection of such proceeds, award or payment, and the rights of Mortgagor under present or future contracts involving the Premises.

TOGETHER WITH (a) all of Mortgagor's and Beneficiary's rights further to encumber the Premises for debt unless such encumbrance is subordinate to any present or future lease, and (b) all of Mortgagor's and Beneficiary's rights to enter into any lease of the Premises.

TO HAVE AND HOLD the above described and granted property, all of which is collectively referred to herein as the "Premises" (whether now or hereafter acquired), unto Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth.

ARTICLE I.

THE OBLIGATION

1.1. The Indebtedness Secured by This Mortgage. This Mortgage and all rights, title, interests, liens, security interests, powers and privileges created hereby or arising by virtue hereof are given for the purpose of securing the following (all of which are referred to herein collectively as the "Indebtedness"):

(a) Performance of the obligations, covenants, and agreements contained in the Note and any and all modifications, extensions, renewals or substitutions thereof;

(b) Payment of all other sums including, without limitation, any advances made by Mortgagee for or on account of Mortgagor or Beneficiary becoming due or payable under this Mortgage or under the Collateral Loan Documents, together with interest thereon at the maximum rate permitted by applicable law, or if there is no such maximum rate, then at the Post-Default Rate provided for in the Note;

(c) Payment of such additional sums (not exceeding ten times the principal sum specified in the Note) and interest thereon which may hereafter be loaned to Mortgagor or Beneficiary, or its successors or assigns, by Mortgagee;

(d) Performance of the obligations, covenants and agreements of Mortgagor and Beneficiary contained in this Mortgage or in any of the Collateral Loan Documents heretofore or hereafter executed by Mortgagor or Beneficiary having reference to or arising out of the indebtedness represented by the Note, or given as security for the Note; and

(e) Performance of the obligations, covenants and agreements of Mortgagor and Beneficiary contained in the "Conversion/Option Agreement" of even date herewith by and between Mortgagor, Beneficiary and Mortgagee pursuant to which Mortgagor and Beneficiary have granted Mortgagee the right and option to acquire a 75% equity interest in the Premises.

3905986

ARTICLE II.

REPRESENTATIONS, COVENANTS, WARRANTIES
AND AGREEMENTS OF MORTGAGOR AND BENEFICIARY

Mortgagor represents, covenants and agrees and Beneficiary represents, covenants, warrants and agrees with Mortgagee as follows:

2.1. Title. Mortgagor has good and marketable fee simple title to the Property and the Improvements (and Beneficiary has clear title to the Personal Property), and each is lawfully seized and possessed of the same, and has the full power, authority and right to convey the same and to execute and deliver this Mortgage; the Premises and the Personal Property are unencumbered except as set forth on Exhibit B attached hereto (the "Permitted Liens"), and Mortgagor will forever defend and Beneficiary will forever warrant and defend the title to the Premises unto Mortgagee against the claims of all persons whomsoever.

2.2. Payment of Secured Obligations. Mortgagor and Beneficiary will punctually pay, in lawful money of the United States, all sums due Mortgagee at the time and in the manner mentioned in the Note, this Mortgage, the Collateral Loan Documents, or any document evidencing a future advance or any other instrument evidencing and/or securing the indebtedness secured hereby.

2.3. Insurance Premiums and Taxes. Mortgagor will pay, when due and payable, all premiums on insurance policies required to be carried under the terms of this Mortgage as well as all taxes, assessments (general or special) and other charges levied on, or assessed, placed or made against the Premises, this Mortgage or the Note, or any interest of Mortgagee in the Premises or the obligations secured hereby, and promptly deliver to Mortgagee receipts showing payment in full of the same. Nothing in this Section shall require the payment or discharge of any obligation imposed upon Mortgagor hereunder, provided that Mortgagor is, in good faith and at its own cost and expense, contesting the amount or validity of same by appropriate legal proceedings, the operation of which prevent the collection or other realization thereof, including but not limited to the sale or forfeiture of the Premises or any part thereof to satisfy the same; provided that during such contest Mortgagor shall, at the sole option of Mortgagee, be required to provide security reasonably satisfactory to Mortgagee, assuring the discharge of Mortgagor's obligations hereunder and any additional charge, penalty or expense arising from or incurred as a result of such contest; and provided further that,

3305986

if at any time, payment of any obligation imposed by this Section shall become necessary to prevent the delivery of a tax deed conveying the Premises or any portion thereof due to nonpayment, then Mortgagor shall pay same in sufficient time to prevent the delivery of such tax deed. Nothing in this Section shall require Mortgagor to pay any income, franchise or excise tax imposed upon Mortgagee, except that which may be levied against such income expressly as and for a specified substitute for taxes pertaining to the Premises, and then only in an amount computed as if Mortgagee derived no income from any source other than its interest hereunder.

2.4. Tax and Insurance Deposits. Mortgagor will pay to Mortgagee, on the installment payment dates of the Note, until the Note is fully paid or until notification from Mortgagee to the contrary, an amount sufficient (as estimated by Mortgagee) to pay said insurance premiums, taxes, assessments and other charges next due. Nothing contained herein shall cause Mortgagee to be deemed a trustee of said funds and no interest shall be allowed to Mortgagor on account of any deposit or deposits made hereunder. Said deposits need not be kept separate and apart from any other funds of Mortgagee. Mortgagor shall furnish to Mortgagee, before the date on which the same shall become due, insurance premium invoices and an official statement of the amount of said taxes and assessments next due, and Mortgagee shall pay said premiums and charges but only if the amounts received therefor from Mortgagor are sufficient. An official receipt therefor shall be conclusive evidence of such payment of and the validity of such charges. If such amounts received from Mortgagor are insufficient, Mortgagee shall notify Mortgagor of the shortage whereupon Mortgagor will immediately deposit with Mortgagee the needed funds. Mortgagee may elect to advance any needed funds and any so advanced shall become immediately due and payable to Mortgagee, become part of the Indebtedness, and bear interest at the maximum lawful rate of interest (or if there is no such maximum rate, then at the Post-Default Rate provided for in the Note) from the date of such advance. If Mortgagor or Beneficiary is in default under this Mortgage, the Note or the Collateral Loan Documents, Mortgagee, at its option, may instead apply such deposits to the Indebtedness in such priority as it may determine. The amount of the existing credit hereunder at the time of any permitted transfer of the Premises shall, without assignment thereof, inure to the benefit of the successor-owner of the Premises, and shall be applied under and subject to all of the provisions hereof. Upon payment in full of the Indebtedness, the amount of any unused credit shall be paid over to the then owner of record. Notwithstanding the foregoing, in the event TIAA requires installment payments for taxes and insurance under the TIAA Loan, Mortgagor shall not be required to make such deposits hereunder.

3905986

2.5. Insurance Coverages.

(a) Mortgagor shall keep the Improvements insured on a full restoration or replacement cost basis (with full replacement cost endorsement and agreed amount clause) in an amount equal to the full insurable replacement value of the Improvements for the benefit of Mortgagee and Mortgagor but in no event less than the balance of the sums due under the Note, this Mortgage and the Conversion/Option Agreement against "all risks", including but not limited to loss or damage by fire, lightning, windstorm, hail, vandalism, explosion, riot, riot attending a strike, civil commotion, aircraft, earthquake, vehicles, smoke, water damage and collapse and (as, when and to the extent insurance against war risks is obtainable from the United States of America or any agency thereof) against war risks; and full contents coverage on the Personal Property as required by Mortgagee, all in amounts approved by Mortgagee;

(b) Mortgagor shall also acquire and maintain commercial general liability coverage in the amount of at least \$2,000,000 and umbrella liability coverage of not less than \$10,000,000 (such coverage shall be on a per occurrence basis without aggregate limits) and naming Mortgagee as an additional insured;

(c) Prior to the commencement of construction of any additional Improvements on the Property and until such additional Improvements are completed, Mortgagor shall acquire and maintain Builder's Risk Insurance on an "all risk" basis (including as a minimum, fire, extended coverage, vandalism, water damage and collapse), in an amount equal to the full insurable replacement value of the additional Improvements;

(d) Mortgagor shall also acquire and maintain insurance against any other risk including but not limited to Public Liability and Property Damage coverage if required under the terms of any lease(s);

(e) Mortgagor shall carry boiler and machinery insurance on a "comprehensive" form in an amount that is adequate to provide protection against the maximum amount of damage possible to components of any HVAC systems, mechanical and elevator equipment, and such other equipment normally insured under a comprehensive boiler and machinery policy, and any damage possible to buildings, improvements and contents resulting from a boiler or machinery explosion;

(f) Mortgagor shall also carry flood insurance in accordance with the provisions of the Flood Disaster Protection Act of 1973 (or any replacement or similar legislation) if the area in which the Premises are situated is designated as "flood

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prone," "a flood risk area," "within a flood plain" or similar designation so as to require flood insurance protection except that Mortgagor may, in lieu of such flood insurance, furnish Mortgagee with a certification, in form acceptable to Mortgagee, from a surveyor approved by Mortgagee that the Property is not located inside any special flood hazard areas as shown on the published Flood Hazard Boundary Map or on the Flood Insurance Rate Map Zones A, A1-A30, AH, AO, A99, V1-V30, or M;

(g) Mortgagor shall acquire and maintain such other or additional insurance as may be reasonably required by Mortgagee;

(h) Mortgagor shall acquire and maintain rental loss insurance in an amount not less than the total gross rental income earned from the Premises in a twelve-month period, including but not limited to the rental income earned from all leases and subleases of the Premises that have been assigned by Mortgagor to Mortgagee as additional security for the Note;

(i) Replacement value shall be subject to annual adjustment based on reconstruction indices published by an appraisal organization such as Marshall Swift or E. H. Boekh or based on such other methods as Mortgagee shall agree to in writing;

(j) Mortgagor will assign and deliver to Mortgagee all policies of insurance as collateral and further security for the payment of the money secured by this Mortgage, with (i) a standard mortgagee or loss payee clause in favor of Mortgagee, giving Mortgagee not less than 30 days' written notice prior to cancellation or modification of any of said policies, (ii) a replacement cost or restoration endorsement, (iii) a provision stating that the waiver of subrogation rights of the insured does not void the coverage, (iv) an agreed amount endorsement, and (v) such special endorsements as may be required by the terms of any lease(s) assigned as additional security;

(k) All policies shall state that any loss shall be payable in accordance with the policy terms notwithstanding any act or negligence of the insured or the Mortgagee and shall be written on companies carrying a rating of AXIV or better, according to the standards set by A.M. Best Company (or a similar rating by any equivalent rating company). The policies shall not be blanketed with insurance on other properties without the prior written consent of the Mortgagee. Mortgagor shall furnish the Mortgagee with a written certification addressed to the Mortgagee by Mortgagor's insurance agent to the effect that the aforesaid insurance is in force. The deductibles, if any,

3305986

on any of the above policies or coverages shall not exceed \$10,000 without the prior written consent of the Mortgagee.

(l) If Mortgagor defaults in so insuring the Premises or in so assigning and delivering the policies, Mortgagee may at its option (but without any obligation so to do) effect such insurance from year to year, and pay the premiums therefor, and Mortgagor will reimburse Mortgagee for any premiums so paid, from the time of payment, on demand, with interest at the Post-Default provided for in the Note secured hereby, and the same shall be secured by this Mortgage;

(m) Subject to Section 2.20 hereof, Mortgagee, upon receipt of any money for loss or damage pursuant to such insurance, may retain and apply such monies toward payment of the monies secured by this Mortgage, or pay such monies in whole or in part to Mortgagor for the repair or restoration of said Improvements or for the erection of new Improvements in their place, or for any other purpose or object satisfactory to Mortgagee, but Mortgagee shall not be obligated to see to the proper application of any amount paid over to Mortgagor;

(n) Not less than ten (10) days prior to the expiration dates of each policy required of Mortgagor pursuant to this Section, Mortgagor will deliver to Mortgagee a paid renewal or replacement policy;

(o) In the event of a foreclosure of this Mortgage or deed in lieu of foreclosure or other transfer of title to the Premises in extinguishment, in whole or in part, of the indebtedness secured hereby, all right, title and interest of Mortgagor or Beneficiary in and to all policies of insurance on the Premises, including any right to unearned premiums, are hereby assigned to and shall inure to the benefit of Mortgagee or any purchaser of the Premises; and

(p) Neither Mortgagor nor Beneficiary shall take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard mortgagee clause acceptable to Mortgagee. Mortgagor and Beneficiary shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of such insurance.

2.6. Sale or Conveyance.

(a) Mortgagor and Beneficiary agree that Mortgagee's willingness to enter into the financial transaction represented by the Note and secured by this Mortgage was expressly based,

3905986

in part, upon the consideration of Mortgagor's and Beneficiary's covenants contained herein and in any agreement given in connection herewith, and upon the financial strength and ability of Beneficiary to develop, improve and operate or manage the business to be conducted upon the Premises. Mortgagor and Beneficiary agree that these considerations are material considerations in the transactions out of which this Mortgage arises. Therefore, Mortgagor and Beneficiary covenant not to assign, contract, convey, sell or transfer (i) all or any part of the Premises, or any interest therein, or (ii) any interest (including but not limited to beneficial interests) in Mortgagor (if Mortgagor is not a natural person or persons but is a corporation, partnership, trust, or other legal entity), or Beneficiary, and upon any such assignment, contract, conveyance, sale or transfer Mortgagee may, at Mortgagee's option, declare all of the sums secured by this Mortgage to be immediately due and payable, and Mortgagee may invoke any remedies permitted by this Mortgage. Notwithstanding the foregoing, Beneficiary may transfer beneficial interests in the Premises to members of his immediate family (spouse, offspring, parents and parents of spouse) upon prior notice to Mortgagee but without obtaining approval, and to others with Mortgagee's prior written consent which shall not unreasonably be withheld, provided, that in all cases, Beneficiary shall retain at least 51% ownership of and 100% control of the Premises.

(b) Without limitation on the rights and remedies of Mortgagee arising under this Mortgage, in the event that Mortgagor, Beneficiary or any subsequent owner of the Premises or any part thereof shall at any time sell, convey or transfer or attempt to sell, convey or transfer the Premises or any part thereof in violation of the provisions of this Mortgage, then Mortgagee shall, in addition to any other rights and remedies it may have at law or in equity or under this Mortgage, be entitled to a decree or order restraining and enjoining such sale, conveyance or transfer, and Mortgagor, Beneficiary or such subsequent owner shall not plead in defense thereof that there would be an adequate remedy at law (it being hereby expressly acknowledged and agreed that damages at law would be an inadequate remedy for breach or threatened breach of the provisions of this Mortgage).

2.7. Junior Mortgages. Neither Mortgagor nor Beneficiary will, without the prior written consent of Mortgagee which may be withheld in the sole and absolute discretion of Mortgagee, execute or deliver any pledge, security agreement, mortgage or deed of trust covering all or any portion of the Premises ("Junior Mortgage"). If Mortgagee consents to the foregoing or in the event the foregoing prohibition is determined by a court of competent jurisdiction to be unenforceable by the provisions of any applicable law, neither Mortgagor nor Beneficiary will

execute or deliver any Junior Mortgage unless there shall have been delivered to Mortgagee not less than ten (10) days prior to the date thereof a copy thereof which shall contain express covenants to the effect that:

(a) The Junior Mortgage (and all additional security for same including but not limited to assignments of leases and rents, security interests, etc.) is subject and subordinate to this Mortgage (and all additional security for the indebtedness secured hereby, including the Collateral Loan Documents) and to all renewals, extensions, modifications, releases, increases, increases in interest rate and future advances hereunder without any obligation on Mortgagor's, Beneficiary's or Mortgagee's part to give notice of any kind thereof to anyone;

(b) The Junior Mortgage is subject and subordinate to any and all leases of all or any portion of the Premises made or to be made, and if any action or proceeding shall be brought to foreclose the Junior Mortgage, no occupant or tenant of any portion of the Premises will be named as a party defendant except for officers or principals of Mortgagor or Beneficiary who may be occupants thereof, nor will any action be taken with respect to the Premises which would terminate any occupancy or tenancy of the Premises without the consent of Mortgagee;

(c) The rents and profits, if collected through a receiver or by the holder of the Junior Mortgage, will be applied first to the obligations secured by this Mortgage, including principal and interest due and owing on or to become due and owing on the Note and then to the payment of maintenance, operating charges, taxes, assessments and disbursements incurred in connection with the ownership, operation and maintenance of the Premises;

(d) The rights of the holder of such Junior Mortgage to insurance proceeds and condemnation awards will be subject and subordinate to the prior rights of Mortgagee to same;

(e) If any action or proceeding shall be brought to foreclose the Junior Mortgage, prompt notice of the commencement thereof will be given to Mortgagee; and

(f) As a condition to approving any junior financing, the holder of the note secured by the Junior Mortgage will be required to enter into a subordination and intercreditor agreement with Mortgagee on such terms and conditions as Mortgagee may prescribe.

Notwithstanding the foregoing, neither Mortgagor nor Beneficiary will suffer or permit any act or omission whereby any of the Property, Improvements or any of the Personal

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Property shall become subject to any attachment, judgment, lien, charge, or other encumbrance or whereby any of the security represented by this Mortgage shall be impaired or threatened.

2.8. Prohibition against Removal or Material Alterations. No Improvements or other property now or hereafter covered by the lien of this Mortgage shall be removed, demolished or materially altered or enlarged, nor shall any new Improvements be constructed, without the prior written consent of Mortgagee, except that Mortgagor and Beneficiary shall have the right, without such consent, to remove and dispose of, free from the lien of this Mortgage, such Personal Property as from time to time may become worn out or obsolete, provided that simultaneously with or prior to such removal, any such Personal Property shall be replaced with other Personal Property of a value at least equal to that of the replaced Personal Property and free from any title retention or other security agreement or other encumbrance, and from any reservation of title, and by such removal and replacement Mortgagor and Beneficiary shall be deemed to have subjected such new Personal Property to the lien of this Mortgage.

2.9. Maintenance; No Waste; Repair; Restoration; No Zoning Changes. Mortgagor will maintain the Premises in good condition and repair, and will not commit or suffer any waste of the Premises. Mortgagor will promptly repair, restore, replace or rebuild any part of the Premises now or hereafter subject to the lien of this Mortgage which may be damaged or destroyed by any casualty whatsoever or which may be affected by any eminent domain or similar proceeding. Mortgagor will complete and pay for, within a reasonable time, any structure at any time in the process of construction on the Premises. Mortgagor will not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or defining the uses which may be made of the Premises or any part thereof.

2.10. Compliance with Laws.

(a) Mortgagor represents and Beneficiary represents and warrants that to date it has fully complied with all laws, ordinances, rulings, regulations and orders of all governmental authorities affecting the Premises (including but not limited to zoning, land use, environmental, etc.) and has obtained all necessary and proper permits and licenses for development and use of the Premises. Mortgagor further covenants and agrees that it will comply with or cause to be complied with all present and future laws, statutes, ordinances, rulings, regulations, orders and requirements of all federal, state, municipal, county, and other governmental agencies and

3905986

authorities applicable to Mortgagor and to the Premises, as well as all covenants, conditions, and restrictions affecting same; and

(b) Mortgagor covenants and represents and Beneficiary covenants, represents and warrants that (i) no assets of any employee benefit plan, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), as now or hereafter amended, will be used in the satisfaction, exercise or performance of any of the obligations, rights or transactions specified or contemplated herein or in the Note or in any of the Collateral Loan Documents; (ii) the Premises do not now, and without the prior written consent of Mortgagee will not, constitute an asset of any such employee benefit plan; and (iii) notwithstanding any other provisions of this Mortgage, neither Mortgagor nor Beneficiary will sell, convey or transfer the Premises to any person or entity which at the time of such transfer does not satisfy the representations set forth in clauses (i) and (ii) above regardless of whether any of the above described conditions arises by operation of law or otherwise.

2.11. Further Instruments. Mortgagor shall execute and deliver (and pay the costs of preparation and recording thereof) to Mortgagee and to any subsequent holder of the Indebtedness from time to time, upon reasonable request, any further instrument or instruments including, but not limited to, mortgages, security agreements, financing statements, continuation statements, leases, assignments, and renewal and substitution notes, so as to reaffirm, to correct and to perfect the evidence of the obligation hereby secured and the lien and security interest of Mortgagee to all or any part of the Premises intended to be hereby mortgaged, whether now mortgaged, later substituted for, or acquired subsequent to the date of this Mortgage and any extensions or modifications thereof.

2.12. No Liens. Except as expressly provided herein, Mortgagor shall not permit any mechanics', laborers' or materialmen's liens to stand against the Premises. If any such lien shall at any time be recorded against the Premises, then Mortgagor shall (a) give written notice thereof promptly to Mortgagee, and (b) cause the same to be discharged of record within thirty (30) days after the date of recording of the same, either by payment, deposit or bond or by furnishing Mortgagee title insurance acceptable to Mortgagee insuring Mortgagee against loss or damage resulting from such lien. If Mortgagor fails to discharge or insure over any such lien within such period, then Mortgagee, in addition to any other right or remedy hereunder, shall have the option (but not the obligation) to procure the discharge of such lien either by

3905986

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depositing the amount claimed to be due in court, or by bonding. Any amount paid or deposited by Mortgagee to discharge such lien, and all costs and other expenses, including all reasonable attorneys' fees, incurred in defending any action to foreclose such lien, shall be deemed a part of the indebtedness secured hereby and shall be immediately due and payable, without demand and shall bear interest at the Post-Default Rate set forth in the Note.

2.13. Utilities. Mortgagor agrees to pay when due all utility charges which are incurred for the benefit of the Premises or which may become a charge or lien against the Premises for energy, fuel, gas, electricity, water or sewer services furnished to the Premises and all other assessments or charges of a similar nature, whether public or private, affecting the Premises or any portion thereof, whether or not such assessments or charges are liens thereon.

2.14. Budget. Mortgagor covenants and agrees to manage and operate the Premises substantially in accordance with the annual income and expense and capital improvement budget approved by Mortgagee in its sole discretion at least thirty (30) days prior to the commencement of Mortgagor's fiscal year (the "Budget"). The Budget may be revised from time to time during Mortgagor's fiscal year with the prior written consent of Mortgagee which may be withheld in its sole and absolute discretion.

2.15. Monthly Cash Flow and Operating Statements. Mortgagor shall deliver to Mortgagee within twenty-one (21) days after the end of each month a monthly cash flow statement and a monthly operating statement prepared on an accrual basis covering the Premises each in such detail as may be required by Mortgagee, including but not limited to (a) the gross rent of each lessee, (b) the operating expenses (taxes, assessments, insurance premiums, repairs and maintenance, salaries and wages), (c) the net operating income, (d) a current rent roll, (e) the variances from the Budget, and (f) itemized accounts payable and itemized accounts receivable.

2.16. Mortgagor's Estoppel. Quarterly during the term of the Loan, Beneficiary will, at his own expense, deliver to Mortgagee a certificate to the effect that he is familiar with the Note, this Mortgage and the Collateral Loan Documents and has reviewed the affairs of Mortgagor, and that there exists no condition, act or omission to act which would constitute a default under the Note, this Mortgage or the Collateral Loan Documents, or, if any such condition, act or omission exists, specifying the same and what action Mortgagor is taking to remedy it, each such certificate to be accompanied by evidence satisfactory to the Mortgagee, upon advice of counsel, of such person's authority to execute and deliver such certificate on behalf of Beneficiary.

2.17. Compliance with Securities Laws. Mortgagor shall cooperate with Mortgagee in providing such audited and unaudited financial statements and other information relating to the Premises as shall be required by the Mortgagee in order to enable Mortgagee to comply with all applicable federal and state securities laws.

2.18. Collateral Loan Documents. Mortgagor and Beneficiary shall each promptly, without prior demand from Mortgagee, fully perform each and every agreement, covenant, or undertaking to be performed by Mortgagor or Beneficiary under any and all of the Collateral Loan Documents.

2.19. Mortgagor's Authority. Mortgagor and the persons executing this Mortgage on behalf of Mortgagor represent and warrant to Mortgagee that Mortgagor is a duly formed and validly existing national banking association with full trust powers, and has qualified, to the extent necessary, in the state in which the Premises are located, and has full power and authority to incur the indebtedness evidenced by the Note and to execute and deliver the Note, this Mortgage and the Collateral Loan Documents and to perform all of the obligations of Mortgagor under the Note, this Mortgage and the Collateral Loan Documents.

2.20. Senior Mortgage. Mortgagor and Beneficiary have executed and delivered to TIAA (i) that certain note in the original principal amount of \$25,000,000 executed by Mortgagor (the "Senior Note"); (ii) that certain first mortgage executed by Mortgagor and Beneficiary in favor of TIAA in the original principal amount of Twenty-five Million Dollars (\$25,000,000), recorded with the Recorder of Deeds of Cook County, Illinois or filed with the Registrar of Titles of Cook County (the "Senior Mortgage"); (iii) and certain security and other documents including but not limited to an assignment of rents and a security agreement (collectively, the "Senior Loan Documents"). Mortgagee acknowledges that:

(a) this Mortgage and the lien created hereunder shall be and the same are hereby made and shall continue subject and subordinate to the lien created by, as well as to all of the terms, covenants and conditions contained in (x) the Senior Mortgage as well as to any and all increases therein (provided the increase is advanced or incurred under any of the express provisions of the Senior Mortgage or any extension, consolidation, modification or supplement thereto or under the assignment hereinafter referred to) or extensions, consolidations, modifications and supplements thereto, and (y) that certain assignment dated August 17, 1990 executed by Mortgagor, as assignor, in favor of TIAA, as assignee, filed with the Registrar of Titles of Cook County, (hereinafter

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called the "Senior Assignment of Leases") of the lessor's interest under all of the leases more particularly identified thereunder, which leases cover portions of the Premises. The modifications, consolidations and supplements herein referred to shall not be deemed to include any modification, consolidation or supplement which expands the rights of the holder of the Senior Mortgage and/or the Senior Assignment of Leases to advance additional indebtedness beyond those rights provided in the existing Senior Mortgage and/or Senior Assignment of Leases.

(b) the Mortgagee hereunder, its successors or assigns or any other legal holder hereof shall not acquire by subrogation, contract or otherwise any lien upon other estate, right or interest in the Premises (including but not limited to any which may arise in respect to real estate taxes, assessments or other governmental charges) which is or may be prior in right to the Senior Mortgage or any extension, consolidation, modification or supplement thereto or to said Senior Assignment of Leases, unless within sixty (60) days following written notice of such intention from the Mortgagee, its successors or assigns, the then holder of the Senior Mortgage shall fail or refuse to purchase or acquire by subrogation or otherwise such prior lien, estate, right or interest, or shall fail within such period to commence and thereafter proceed diligently to purchase or acquire same. Nothing contained in this paragraph or otherwise shall modify, restrict, prohibit or extinguish Mortgagee's rights under the Conversion/Option Agreement.

(c) this Mortgage and the lien hereof shall be expressly subject and subordinate to any and all advances, in whatever amounts and whenever made, with interest thereon, and to any expenses, charges and fees, including any and all of such advances, interest, expenses, charges and fees which may increase the indebtedness secured by the Senior Mortgage above the original principal amount thereof, provided the same is advanced or incurred under any of the express provisions of the Senior Mortgage or any extension, consolidation, modification or supplement thereto or under the said Senior Assignment of Leases. The modifications, consolidations and supplements herein referred to shall not be deemed to include any modification, consolidation or supplement which expands the rights of the holder of the Senior Mortgage to advance additional indebtedness beyond those rights provided in the existing Senior Mortgage and/or the Senior Assignment of Leases.

(d) the Mortgagee, its successors or assigns or any other legal holder of this Mortgage shall agree to assign and release unto the legal holder of the Senior Mortgage:

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- (i) All of its right, title, interest or claim, if any, in and to the proceeds of all policies of insurance covering the Premises for application upon the indebtedness secured by or other disposition thereof in accordance with the provisions of the Senior Mortgage and of the Senior Assignment of Leases; and
- (ii) All of its rights, title and interest or claim, if any, in and to all awards or other compensation made for any taking of any part of the Premises to be applied upon the indebtedness secured by or disposed of in accordance with the provisions of the Senior Mortgage and of the Senior Assignment of Leases.

In the event that following any such application and disposition of the insurance proceeds and condemnation award and other compensation, any balance remains, then such excess shall be made payable to the joint order of the Mortgagee and Mortgagor hereunder or their successors or assigns.

(e) if the legal holder of the Senior Mortgage shall at any time release to the Mortgagor any such insurance proceeds or condemnation award for the purpose of restoration of the Premises, such releases shall not be deemed to be an additional advance under the Senior Mortgage nor shall it otherwise be deemed to be in violation of any restriction of this Mortgage upon the amount permitted to be secured by the Senior Mortgage and to which the within Mortgage is subordinate.

(f) so long as the Senior Mortgage shall remain upon the Premises, the Mortgagee hereunder, its successors and assigns shall not, without the written consent of the holder of the Senior Mortgage, foreclose the interests of any tenants of the Premises.

(g) so long as the Senior Mortgage shall remain upon the Premises or any part thereof, the Mortgagee hereunder, its successors or assigns or any other legal holder hereof shall execute, acknowledge and deliver, upon request of the legal holder of the Senior Mortgage, further subordinations or other instruments in recordable form reasonably sufficient to carry out the true purpose and intent of the foregoing covenants.

3905986

2.21. Mortgagor's Covenants with Respect to Senior Instruments.

(a) Mortgagor covenants and agrees to comply with all of the terms and provisions of the Senior Note, Senior Mortgage and Senior Loan Documents (collectively, the "Senior Instruments"). If Mortgagor shall default in the performance of any term or provision contained in this Mortgage or in the Note, the owner or holder of the Note may, but shall not be obligated to, pay any principal or interest due under the Senior Note or any of the Senior Instruments. To the extent the owner and holder of the Note pays any installment of principal or interest or any other sums due under the Senior Note or the Senior Instruments, the said owner and holder shall become entitled to a lien on the Premises covered by this Mortgage and by the Senior Instruments, equal in rank and priority to the Senior Instruments, and in addition to the extent necessary to make effective such rank and priority (a) the Mortgagee shall become subrogated to receive and enjoy all of the rights, liens, powers and privileges granted to TIAA under the Senior Instruments and (b) the Senior Instruments shall remain in existence for the benefit of and to further secure the debt and other sums secured, or hereafter to become secured hereunder.

(b) Mortgagor shall give Mortgagee a copy of all notices given Mortgagor with respect to any of the Senior Instruments within three (3) business days after receiving such notice.

(c) Neither Mortgagor nor Beneficiary shall, without the prior written consent of Mortgagee, enter into any modification, extension, amendment, agreement or arrangement in connection with any of the Senior Note, Senior Mortgage or other Senior Loan Documents.

2.22. Default Under Senior Instruments; Mortgagee's Right to Cure. In the event Mortgagor or Beneficiary is in default or is declared by the holder of the Senior Instruments to be in default with respect to any requirement of any of the Senior Instruments, Mortgagor and Beneficiary agree that said default shall constitute a Default hereunder. Upon the occurrence of such Default, in addition to any other rights or remedies available to Mortgagee, Mortgagee may, but need not, make any payment or perform any act required to cure or attempt to cure any said default under any of the Senior Instruments in any manner and form deemed expedient by Mortgagee and as permitted by the Senior Instruments or the holder thereof. Mortgagee shall not be responsible for determining the validity or accuracy of any claim of default made by the mortgagee under the Senior Instruments and the payment of any sum by Mortgagee in

3905986

curing or attempting to cure any alleged default or omission shall be presumed conclusively to have been reasonable, justified and authorized. Mortgagor and Beneficiary each hereby grants to Mortgagee an irrevocable power of attorney, which power of attorney is coupled with an interest, for the term of this Mortgage to cure any default or forfeiture which may occur under the Senior Instruments. Mortgagor and Beneficiary each further agrees to execute a formal and recordable power of attorney granting such right at any time during the existence of this Mortgage if requested by Mortgagee. All monies paid by Mortgagee in curing any default under the Senior Instruments, including attorney's fees and costs in connection therewith, shall bear interest from the date or dates of such payment at the Post-Default Rate (as defined in the Note), shall be paid by Mortgagor to Mortgagee on demand, and shall be deemed a part of the Indebtedness and secured and recoverable as such in all respects. Any inaction on the part of the Mortgagee shall not be construed as a waiver of any right accruing to Mortgagee on account of any Default hereunder.

2.23. Mortgagee's Right to Prepay Senior Note. In the event of a Default hereunder, Mortgagee may prepay the entire balance due under the Senior Note, and any prepayment fees or penalty incurred by Mortgagee in connection with such prepayment shall along with the prepayment bear interest from the date of such payment at the Post-Default Rate, shall be paid by Mortgagor to Mortgagee upon demand, and shall be deemed a part of the Indebtedness and recoverable and secured in all respects as provided in this Mortgage, the Note and the Collateral Loan Documents and at law and equity.

2.24. Certificate for Senior Instruments. Mortgagor shall (i) provide Mortgagee on the first (1st) day of each calendar month with written evidence reasonably satisfactory to Mortgagee of Mortgagor's ability to pay the interest and all other monies due on the Senior Instruments for such month and (ii) provide Mortgagee on the tenth (10th) day of each calendar month with written evidence satisfactory to Mortgagee showing that Mortgagor has paid the interest and all other monies due on the Senior Instruments for such month.

2.25. Payments on Senior Note. Mortgagor and Beneficiary covenant and agree that all payments of interest or interest and principal on the Senior Note shall be made by wire transfer directly to TIAA or any future holder of the Senior Note. Mortgagor and Beneficiary shall cause the reputable nationally recognized financial institution making the wire transfer to immediately notify Mortgagee in writing of the initiation of the wire transfer which notice shall specify the amount of money transferred, the time and date of the transfer and the Federal Reserve reference number.

3305986

ARTICLE III.

LEASES, RENTS AND PROFITS AND ASSIGNMENT THEREOF

3.1. Leases. The Premises will be leased on a multi-tenant basis, utilizing one lease form which has been approved in writing by Mortgagee. Notwithstanding anything contained herein, once said lease form has been approved by Mortgagee, no further approval by Mortgagee will be required prior to the execution of new leases for the Premises, with the exception of economic terms which vary adversely from those agreed to in writing by Mortgagee and provided that such lease form is utilized. Mortgagor is hereby granted permission (which may be rescinded at any time by written notice from Mortgagee) to make minor modifications to the lease form, provided that such modifications do not materially alter or affect any of the rights of Mortgagee under this Mortgage or any of the Collateral Loan Documents and that Mortgagee is specifically notified in writing of such alterations.

3.2. Assignment of Rents. Mortgagor hereby absolutely, unconditionally and irrevocably grants, transfers, conveys and assigns to Mortgagee all the rents, issues and profits now or hereafter arising from the Premises and hereby gives to and confers upon Mortgagee the right, power, and authority to collect such rents, issues and profits. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney-in-fact, at the option of Mortgagee at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, in the name of Mortgagor or Mortgagee, for and otherwise collect all such rents, issues and profits and apply the same to the indebtedness secured hereby; provided, however, that Mortgagor shall have the right to collect such rents, issues and profits, but not more than one month in advance, prior to or at any time there is not an event of Default (as hereinafter defined) hereunder. The assignment of the rents, issues and profits from the Premises in this Article III is intended to be a present and absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest. From time to time, upon Mortgagee's request, Mortgagor shall execute, acknowledge and deliver to Mortgagee further assignments of leases, rents, issues and profits and deliver to Mortgagee fully executed originals of all leases affecting the Premises.

3.3. Covenants Regarding Performance of Lessor's Obligations. Mortgagor has assigned, coincident herewith, and may hereafter assign to Mortgagee a certain lease or leases of all or of portions of the Premises. Mortgagor shall perform promptly each and every covenant and agreement of any such lease that is to be kept or performed by the lessor, and

3905986

neither do nor neglect to do, nor permit to be done, anything which may cause the termination of such leases, or any of them, except with the prior written consent duly issued by Mortgagee, or which may diminish or impair their value, or the rents provided for therein or the interest of Mortgagor or Mortgagee therein.

3.4. Negative Covenants Regarding Leases. Mortgagor will not:

(a) Execute any further assignment of any of its right, title or interest in the leases or rents and profits from the Premises (except to Mortgagee);

(b) Terminate or consent to the cancellation or surrender of any lease now existing or hereafter to be made of the Premises or of any part thereof without the prior written consent of Mortgagee;

(c) Except as provided herein, modify any lease of the Premises without the prior written consent of Mortgagee;

(d) Accept prepayments of any installments of rent to become due under any of said leases, except prepayments in the nature of security for the performance by a lessee of its obligations thereunder;

(e) In any other manner materially impair the value of the Premises or the security of this Mortgage;

(f) Execute any lease of all or a substantial portion of the Premises except for actual occupancy by the lessee thereunder; or

(g) Permit any lease of the Premises or any part thereof to become subordinate to any lien other than the lien of the Senior Mortgage and this Mortgage. All leases of the Premises or any part thereof are subject to the approval of Mortgagee as provided herein.

3.5. Breaches Regarding Leases or Assignments Thereof. Subject to any notice and cure periods provided therein, any violation on Mortgagor's part of any covenant or agreement in any lease of the Premises or of any part thereof or in the assignment of any such lease that is to be kept or performed by Mortgagor as lessor or as assignor, as the case may be, shall constitute a Default under this Mortgage and thereupon Mortgagee may, at its option, without notice, declare the entire Indebtedness immediately due and payable and exercise its other rights and remedies set forth herein.

3905985

3.6. Estoppel Certificates. Mortgagor shall procure and deliver to Mortgagee at any time within ten (10) days after notice and demand from Mortgagee an estoppel certificate, in form satisfactory to Mortgagee, from each lessee of the Premises. Notwithstanding the foregoing, Mortgagee shall not demand estoppel certificates more than once a year during the term of the Loan and upon the exercise of Mortgagee's rights under the Conversion/Option Agreement.

3.7. Application of Rents and Other Income. All earnings, revenues, issues, profits, income and rents now or hereafter collected by Mortgagee may be applied for the following purposes:

(a) To the payment of taxes, assessments and charges and the expense of insurance, repairs to and improvements on the Premises or to the making of any required deposits in the escrow fund for future payment of taxes, assessments and insurance premiums; Mortgagee, however, shall not be obligated to keep insurance on, make repairs to and/or improvements on the Premises;

(b) To the payment of all operating expenses and other necessary expenses of the management, protection and/or preservation of the Premises as provided by Mortgagee including, at Mortgagee's sole option, payments due under the TIAA Loan;

(c) To the repayment to Mortgagee of any and all amounts (including attorneys' fees) advanced by it under the terms of this Mortgage together with interest on the respective advancement from the date of each at the Post-Default Rate;

(d) To the payment of any and all costs or expenses incurred by Mortgagee in enforcing the obligations of this Mortgage (including attorneys' fees);

(e) To the payment of all amounts due or to become due under the Note or any extension or renewal thereof and/or to the payment of any judgment rendered thereon together with interest, costs and expenses (including attorneys' fees); and

(f) Any amount not applied as above provided and remaining in the hands of Mortgagee may, at its option, on or after the first business day of each month be applied by Mortgagee to one or both of the following:

- (i) used for prepayment of principal; or
- (ii) be refunded to Mortgagor.

3305985

3.8. Priority of Application. All rents collected by Mortgagee may be applied to the items in Section 3.8 above listed in any manner that Mortgagee deems advisable and without regard to the aforestated priorities. Receipt by Mortgagee of such rents, issues and profits shall not constitute a waiver of any right or remedy that Mortgagee may enjoy under this Mortgage or under the laws of Illinois, nor shall the receipt and application thereof cure any Default hereunder nor affect any foreclosure proceeding or any sale authorized by this Mortgage and the laws of Illinois.

3.9. Accountability for Rents. Mortgagee shall be required to account for only such rentals and payments as are actually collected by it. Mortgagee shall have no liability for failure to rent the Premises or any part thereof, or for failure to make collections of rentals, or for failure to do any of the things which are authorized herein. This provision is Mortgagor's express agreement to grant all of its rights and privileges to Mortgagee and shall not be held to create any duties or liabilities except as herein expressly set forth. For the purpose of accounting, the books and records of Mortgagee shall be deemed prima facie correct.

3.10. Liability for Rents. Mortgagee shall not be liable for the act or omission of any agent and/or manager, if Mortgagee shall have used reasonable care in the selection of such agent or manager.

3.11. Liability for Premises. Mortgagee shall, in the exercise of its control and management of the Premises, be deemed the agent of Mortgagor and shall not be liable for any damage to any person or property, where such damage arises out of the operation of, or in connection with, the Premises except such damage formally and finally adjudicated to be directly caused by Mortgagee's gross negligence or willful misconduct.

3.12. Status of Leases; Notice of Default. Mortgagor represents and Beneficiary represents and warrants that any and all leases covering all or a portion of the Premises are in full force and effect, rent has not been paid more than one month in advance, Mortgagor and the lessees thereof are in all respects in good standing thereunder and neither Mortgagor nor said lessees are in default with respect to any provisions thereof. Mortgagor will not consent to, cause or allow any modification or alteration of any of the terms (including, without limitation, the amount of rent), conditions or covenants of the leases or any lease hereafter effected, or the termination of any such lease, without the prior written approval of Mortgagee. Mortgagor covenants and agrees that in the event Mortgagor shall receive from any of the lessees of said leases notice of any default by Mortgagor under the terms

3965985

or provisions of any of said leases, or receive from any of said lessees or from any other party any notice or communication in any way respecting a default or alleged default or failure of performance which could become a default after lapse of time, or otherwise, under said leases, or relating to Mortgagor's good standing with respect thereto, Mortgagor shall immediately, and not later than three business days after receipt of such notice or communication, or obtaining knowledge of a default, real or claimed, advise or mail (special delivery in the case of a notice of default), postage prepaid, or deliver in person to Mortgagee a true, exact and full copy of said notice or communication.

3.13. Mortgagee's Right to Perform for Mortgagor/Lessor. Mortgagor agrees that for the purpose of curing any default under any lease, Mortgagee may, but shall not be obligated to, do any act, pay any sum or execute any document in the name of Mortgagor or as its attorney-in-fact, as well as in Mortgagee's own name, as Mortgagee in its discretion may determine, and Mortgagor hereby irrevocably appoints Mortgagee its true and lawful attorney-in-fact, in its name or otherwise, to do any and all acts, pay any sum and/or execute any and all documents that may in the opinion of Mortgagee be necessary or desirable to cure any such default or preserve any right of Mortgagor under any of said leases, or to preserve any rights of Mortgagor whatsoever, or to protect Mortgagee's security interest. If Mortgagee, acting under its authority herein granted, should pay, suffer or incur any expense, costs, charge, fee, obligation, damage or liability of any nature, or be a party to any action or proceeding, whether any of the same be for the purpose of curing any such default or protecting Mortgagee's security or the rights of Mortgagor under any of said leases, or otherwise, all of the same and all sums paid by Mortgagee for prosecution or defense of such actions or proceedings, including in any case reasonable attorneys' fees, shall be payable by Mortgagor to Mortgagee immediately, without demand, together with interest thereon at the Post-Default Rate and the same shall be added to Mortgagor's indebtedness to be secured by these presents and be a lien upon the Premises.

ARTICLE IV.

DEFAULTS AND REMEDIES

4.1. Events of Default. Time is of the essence hereof, and the term "Default," as used in this Mortgage, shall mean the occurrence of any one or more of the following events:

(a) Payments. The failure of Mortgagor or Beneficiary to make any payment according to the tenor and effect of the Note secured hereby, or any part thereof, or any

3905986

failure to make any other payment of the principal, interest, or premium, if any, on the Note, or payment of any other Indebtedness, including but not limited to taxes or insurance premiums, when and as the same shall become due and payable, whether at maturity, by acceleration, or otherwise, as in the Note, this Mortgage and the Collateral Loan Documents provided and such failure shall continue for five (5) days; or

(b) Performance. The failure of Mortgagor or Beneficiary or any guarantor of the Indebtedness secured by this Mortgage to punctually and properly perform any other covenant, condition, representation or agreement contained in this Mortgage, the Note or in any of the Collateral Loan Documents, or in any other document given or delivered in connection with the Loan and such failure shall continue for thirty (30) days following written notice thereof; or

(c) Liens. The institution of proceedings to enforce any other lien including, but not limited to, judgment and mechanics' liens, upon the Premises; or

(d) Senior Instruments. The failure of Mortgagor or Beneficiary to fully comply with Paragraph 2.21 hereof; or

(e) Bankruptcy and Related Proceedings. The filing of a proceeding in bankruptcy or arrangement or reorganization by or against Mortgagor or Beneficiary, or any guarantor of the Indebtedness secured hereby pursuant to the Federal Bankruptcy Code or any similar law, federal or state, including, but not limited to the following:

(i) Mortgagor, Beneficiary or any guarantor of the Indebtedness shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Mortgagor, Beneficiary or any such guarantor or of all or any part of the Premises or of any or all of the royalties, revenues, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

(ii) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Mortgagor, Beneficiary or any guarantor of

3905986

the Indebtedness seeking any reorganization, dissolution or similar relief under any present or future federal, state, or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of thirty (30) days (whether or not consecutive) from the first date of entry thereof, or any trustee, receiver or liquidator of Mortgagor, Beneficiary or any such guarantor or of all or any part of the Premises or of any or all of the royalties, revenues, rents, issues or profits thereof shall be appointed without the consent or acquiescence of Mortgagor, Beneficiary or any such guarantor and such appointment shall remain unvacated and unstayed for an aggregate of thirty (30) days (whether or not consecutive); or

(f) Other Legal Proceedings. A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Premises, and such execution, attachment or similar process is not released, bonded, satisfied, vacated or stayed within thirty (30) days after its entry or levy; or

(g) Abandonment. The abandonment of any part of the Premises by Mortgagor; or

(h) Misrepresentation. If any representation or warranty of Mortgagor or Beneficiary set forth in this Mortgage, the Note, or in any of the Collateral Loan Documents delivered by Mortgagor or Beneficiary to Mortgagee in connection herewith or as required from time to time hereby, shall prove to be false, misleading or erroneous in any material respect; or

(i) Lease Covenants. Mortgagor's or Beneficiary's failure as lessor, or assignor, to observe, comply or adhere to and/or perform any material agreement of Mortgagor or Beneficiary, subject to any applicable cure periods, in any lease or assignment thereof to Mortgagee relating to the Premises.

4.2. Remedies. In every such case, if any event of Default shall have occurred and/or be continuing, Mortgagee, at its option, shall have, in addition to any rights at law or in equity, each and all of the following rights and remedies, which may be exercised individually, collectively or cumulatively:

(a) Acceleration. Mortgagee shall have the right to declare all Indebtedness to be immediately due and payable and the same shall thereupon become immediately due and payable without any presentment, demand, protest or notice of any kind.

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(b) Management. Mortgagee may, with or without bringing any action or proceeding, and without regard to the adequacy of any security for the Indebtedness, in person or by agent or employee, or by a receiver appointed by a court of competent jurisdiction, enter upon and take possession of all or any part of the Premises, excluding Mortgagor and its agents and servants wholly therefrom; Mortgagor shall on demand peaceably surrender possession thereof to Mortgagee. Upon every such entry, Mortgagee, personally or by its agents or in the name of Mortgagor, at the expense of Mortgagor, from time to time, may maintain and restore the Premises, whereof it shall become possessed as aforesaid; and, 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 to it may seem reasonably advisable or necessary to preserve the value, marketability or rentability of the Premises; and in every such case Mortgagee shall have the right to manage, control and operate the Premises and may make, cancel, modify or enforce leases, obtain and evict tenants, rent and lease the same to such persons, for such periods of time, and on such terms and conditions as Mortgagee in its sole discretion may determine, and with or without taking possession of the Premises, may sue for or otherwise collect any and all of the rents, issues and profits thereof, including those past due and unpaid, and apply same less costs and expenses of management, operation and collection, including attorneys' fees, upon any Indebtedness, all in such order as Mortgagee may determine. In dealing with the Premises as a mortgagee in, or not in, possession, Mortgagee shall be without any liability, charge, or obligation therefor to Mortgagor other than for willful misconduct, and shall be entitled to operate any business then being conducted or which could be conducted thereon or therewith at the expense of and for the account of Mortgagor (and all net losses, costs and expenses thereby incurred shall be advancements, and will be immediately due and payable, with interest thereon at the Post-Default Rate and shall become part of the Indebtedness), to the same extent as the owner thereof could do. The entering upon and taking possession of the Premises, the collection of such rents, issues and profits and the application thereof as aforesaid shall not cure or waive any Default or notice of Default under this Mortgage or invalidate any act done in response to any such Default or pursuant to any such notice and, notwithstanding the continuance in possession of the Premises or the collection, receipt and application of rents, issues and profits, Mortgagee shall be entitled to enforce every right and exercise every remedy provided for in the Note, this Mortgage or any of the Collateral Loan Documents or by law upon the occurrence of any event of Default.

3905986

(c) Advances. In the event of the noncompliance of any duty or duties required of Mortgagor under the terms of this Mortgage or the occurrence of any event which, in the judgment of Mortgagee, impairs the value of the Premises herein taken as security for the Indebtedness, Mortgagee reserves the right, at its own election, to advance sufficient funds to accomplish said performance or maintain such security. Said sums, shall become immediately due and repayable to Mortgagee. In default of said payment, the amount advanced will be added to the Indebtedness bearing interest at the Post-Default Rate from the date of advancement.

(d) Legal Proceedings. Mortgagee, with or without entry, personally or by its agents or attorneys, insofar as applicable shall have the following rights:

(i) Mortgagee may institute proceedings for the complete or partial foreclosure of this Mortgage. In any suit to foreclose the lien hereof, there shall be allowed and included, as additional indebtedness in the decree for sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to costs to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates and similar data and assurances with respect to title, as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale pursuant thereto the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this clause (i) mentioned shall become so much additional Indebtedness and immediately due and payable with interest thereon at the Post-Default Rate from the date of the expenditure until paid. The proceeds of any sale of the Premises or any part thereof shall be applied to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the Post-Default Rate; all other Indebtedness; and the remainder, if any, to the person or persons legally entitled thereto; and/or

(ii) Mortgagee shall have the right from time to time to enforce any legal or equitable remedy against Mortgagor and Beneficiary and to sue for any sums whether interest, damages for failure to pay principal or any installment thereof, taxes, installments of principal, or any other sums required to be paid under the terms of this Mortgage, subject to the rights of Beneficiary pursuant to any guaranty of the Loan, as the same become due, without

3905988

regard to whether or not the principal sum secured or any other sums secured by this Mortgage shall be due and without prejudice to the right of Mortgagee thereafter to enforce any appropriate remedy against Mortgagor including an action of foreclosure, or any other action, for a Default or Defaults by Mortgagor existing at the time such earlier action was commenced; and/or

(iii) Mortgagee may 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 any of the Collateral Loan Documents contained, subject to the rights of Beneficiary pursuant to any guaranty of the Loan, 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 deem most advisable to protect and enforce any of its rights hereunder or under the Note and the Collateral Loan Documents. Mortgagee, at its option, shall have the power of sale, if any, provided for by statute or otherwise permitted under the laws of the State of Illinois; and/or

(iv) Mortgagee is hereby appointed the true and lawful attorney of Mortgagor, in its name and stead or in the name of Mortgagee, to make all necessary conveyances, assignments, transfers and deliveries of the property rights so sold, and, for that purpose, Mortgagee may execute all necessary deeds and instruments of assignment and transfer, and may substitute one or more persons with like power. Mortgagor hereby ratifies and confirms all that its said attorney or attorneys or such substitute or substitutes shall lawfully do by virtue hereof. Mortgagor shall, nevertheless, if so requested in writing by Mortgagee, ratify and confirm any such sale or sales by executing and delivering to Mortgagee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of Mortgagee, for the purpose and as may be designated in such request. Any such sale or sales made under or by virtue of this Article shall operate to divest all the estate, right, title, interest, claim and demand, whether at law or in equity, of Mortgagor in and to the property and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and its successors and assigns.

(e) Effectuating Lease Assignments. Mortgagee, at its sole option, may send notifications to any and all lessees and tenants of the Premises that future payments under or relating to their leases and tenancies shall be made to

3965385

Mortgagee. Thereafter, Mortgagee shall be entitled to collect said rents and payments until Mortgagor cures all Defaults hereunder, and shall apply such rents and payments collected in the manner set forth in Article III hereof.

(f) Secured Party Remedies. Mortgagee, at its sole option, may exercise any or all of the remedies available to a secured party under the Illinois Uniform Commercial Code (the "Code"), including, but not limited to the following:

(i) Either personally or by means of a court-appointed receiver, take possession of all or any of the Personal Property (which term, for purposes hereof, shall mean the same thing as the term "Collateral" as same is used in Section 5.1 hereof) and exclude therefrom Mortgagor and all others claiming under Mortgagor and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Mortgagor with respect to the Personal Property or any part thereof. In the event Mortgagee demands or attempts to take possession of the Personal Property in the exercise of any rights under the Mortgage or any of the Collateral Loan Documents, Mortgagor promises and agrees to promptly turn over and deliver complete possession thereof to Mortgagee; and/or

(ii) Without notice to or demand upon Mortgagor, make such payments and do such acts as Mortgagee may deem reasonably necessary to protect its security interest in the Personal Property, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith; and/or

(iii) Require Mortgagor to assemble the Personal Property or any portion thereof at a place designated by Mortgagee and reasonably convenient to both parties and promptly to deliver such Personal Property to Mortgagee and Mortgagee's agents and representatives shall have the right to enter upon any or all of Mortgagor's premises and property to exercise Mortgagee's rights hereunder; and/or

(iv) Sell, lease or otherwise dispose of the Personal Property at public sale, with or without having the Personal Property at the place of sale, and upon such terms and in such manner as Mortgagee may determine. Mortgagee may be a purchaser at any such sale; and/or

3905986

(v) Unless the Personal Property is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee shall give Mortgagor at least ten (10) days' prior written notice of the time and place of any public sale of the Personal Property or other intended disposition thereof. Such notice may be mailed to Mortgagor at the address set forth at the beginning of this Mortgage.

Upon occurrence of an event of Default under this Mortgage, Mortgagee reserves the option, pursuant to the appropriate provisions of the Code, to proceed with respect to the Personal Property as part of the real property which constitutes a portion of the Premises in accordance with its rights and remedies with respect to such real property, in which event the Default provisions of the Code shall not apply. If Mortgagee shall elect to proceed with respect to the Personal Property separately from the real property, ten (10) days' notice of the sale of the Personal Property shall be deemed to be reasonable notice.

(g) Appointment of Receiver. If an event of Default under this Mortgage occurs and is continuing, Mortgagee, as a matter of right and without notice to Mortgagor or anyone claiming under Mortgagor, and without regard to the then value of the Premises or the interest of Mortgagor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Premises, and Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases including the power to collect the rents, issues and profits of the Premises during the pendency of a foreclosure suit, and in case of a sale and a deficiency during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits. The court having jurisdiction may authorize the receiver to apply the net income in his hands to payment in whole or in part to (i) the Indebtedness, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or such decree, provided such application is made prior to foreclosure sale; and (ii) to the deficiency in case of a sale and deficiency. Said receiver shall continue as such and exercise all such powers until the date of sale of the Premises, unless such receivership is sooner terminated. Mortgagee hereunder or any holder of the Note may be appointed as such receiver.

3965986

(h) Retention of Possession. Notwithstanding the appointment of any receiver, liquidator or trustee of Mortgagor, or of any of Mortgagor's property, or of the Premises or any part thereof, Mortgagee shall be entitled to retain possession and control of all property now or hereafter granted, bargained, sold, mortgaged, warranted, conveyed, pledged and/or assigned to or held by Mortgagee under this Mortgage.

(i) Remedies Not Exclusive. The cumulative rights of Mortgagee arising under the clauses and covenants contained in this Mortgage shall be separate, distinct and cumulative and none of them shall be construed to be exclusive nor an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding. In addition to any remedies provided herein for Default hereof, Mortgagee shall have all other remedies allowed under the laws of the State of Illinois, and the laws of the United States. No failure on the part of Mortgagee to exercise any of its rights hereunder arising upon any Default shall be construed to prejudice its rights in the event of any other or subsequent Default. No delay on the part of Mortgagee in exercising any of such rights shall be construed to preclude it from the exercise thereof at any time during the continuance of such Default. Mortgagee may enforce any one or more remedies or rights hereunder in such order and manner as it may determine, successively or concurrently at its option. By accepting payment or partial payment of any sum secured hereby after its due date, Mortgagee shall not make an accommodation or thereby waive the agreement herein contained that time is of the essence, nor shall Mortgagee waive either any of its remedies or options or its right to require prompt payment when due of all sums secured or to consider failure so to pay a Default hereunder. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee.

(j) Escrowed Funds. Mortgagee may, at its sole option, withdraw all or part of the funds remaining in the escrow created by the terms of any escrow agreement created in connection with the Loan and apply said funds to cure a Default, reduce the outstanding amount of the Indebtedness, or to reduce any other amount secured hereby to the extent permitted in such escrow agreement.

3905985

ARTICLE V.

SECURITY AGREEMENT

5.1. Creation of Security Interest. Mortgagor, Beneficiary and Mortgagee agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to (i) any and all sums at any time on deposit for the benefit of Mortgagee or held by Mortgagee (whether deposited by or on behalf of Mortgagor, Beneficiary or any one else) pursuant to any of the provisions of this Mortgage ("Deposits"), and (ii) any Personal Property and other rights and interests of Mortgagor or Beneficiary included in the granting clauses of this Mortgage, which Personal Property or other rights and interests may not be deemed to form a part of the Property described in Exhibit A hereto or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of such Personal Property, substitutions for such Personal Property, additions to such Personal Property and the proceeds thereof (all of said Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof and other rights and interests of Mortgagor or Beneficiary being sometimes hereinafter collectively referred to as the "Collateral"), and that a security interest in and to the Collateral and the Deposits is hereby granted to Mortgagee, and the Collateral and the Deposits and all of Mortgagor's or Beneficiary's right, title and interest therein are hereby assigned to Mortgagee, all to secure payment of the Indebtedness and to secure performance by Mortgagor or Beneficiary of the terms, covenants and provisions hereof. In the event of a Default under this Mortgage, Mortgagee shall have the option of exercising any or all of the "Secured Party Remedies" as set forth in Section 4.2(f) hereof, above. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagee. Mortgagor or Beneficiary shall, from time to time, on request of Mortgagee, deliver to Mortgagee an inventory of the Collateral in reasonable detail.

5.2. Warranties, Representations and Covenants. Mortgagor hereby represents and covenants and Beneficiary hereby represents, warrants and covenants as follows:

(a) Except for the security interest granted hereby, Mortgagor is, and as to portions of the Personal Property to be acquired after the date hereof will be, the sole owner of the Personal Property, free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever except Permitted Liens. Mortgagor will notify Mortgagee of, and will defend the Personal Property against, all claims

3905986

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and demands of all persons at any time claiming the same or an interest therein.

(b) Mortgagor will not lease, sell, convey or in any manner transfer the Personal Property without the prior written consent of Mortgagee, except as may be expressly permitted under Section 5.2 (d) hereof.

(c) The Personal Property is not used or bought for personal, family or household purposes.

(d) The Personal Property will be kept on or at the Premises and Mortgagor will not remove the Personal Property from the Premises without the prior written consent of Mortgagee, except that so long as Mortgagor is not in Default hereunder, Mortgagor shall be permitted to dispose of such portions or items of Personal Property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor with property of like kind and quality and at least equal in value to that replaced and in such manner so that said new Personal Property shall be subject to the security interest created hereby and so that the security interest of Mortgagee shall be first in priority, it being expressly understood that all replacements of the Personal Property and any additions to the Personal Property shall be and become immediately subject to the security interest of this Mortgage and be covered hereby.

(e) Mortgagor maintains a place of business in the State of Illinois and Mortgagor will immediately notify Mortgagee in writing of any change in its place of business as set forth herein.

(f) At the request of Mortgagee, Mortgagor will join Mortgagee in executing one or more financing statements and renewals and amendments thereof as well as any continuation statements pursuant to the Code in form satisfactory to Mortgagee, and will pay the cost of filing the same in all public offices wherever filing is deemed by Mortgagee to be necessary or desirable. Mortgagor authorizes Mortgagee to file financing and continuation statements, and amendments and supplements thereto relating to the Personal Property signed only by Mortgagee.

(g) Mortgagor will do all acts and things as Mortgagee may require or as may be necessary or appropriate to establish and maintain a perfected security interest in the Personal Property, subject to no liens, encumbrances or security interests of others except Permitted Liens.

3905986

(h) All covenants and obligations of Mortgagor contained in this Mortgage shall be deemed to apply to the Personal Property whether or not expressly referred to herein.

(i) This Mortgage constitutes a security agreement (and financing statement) for all purposes under the Code.

ARTICLE VI.

DAMAGE OR DESTRUCTION; INSURANCE PROCEEDS

6.1. Notice. In case of casualty to the Premises resulting in damage or destruction, Mortgagor shall promptly give written notice thereof to Mortgagee.

6.2. Assignment of Insurance Proceeds; Authority to Settle Claims. Mortgagor and Beneficiary hereby grant, transfer and assign to Mortgagee any insurance proceeds which Mortgagor is otherwise entitled to receive in connection with any damages to the Premises or part thereof and the same shall be paid to Mortgagee. Mortgagor and Beneficiary hereby authorize and direct any affected insurance carrier to make payment of such proceeds directly to Mortgagee, and Mortgagee is hereby authorized and empowered by Mortgagor and Beneficiary to settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance. No interest shall be allowed to Mortgagor or Beneficiary on any proceeds of insurance paid to and held by Mortgagee.

6.3. Mortgagee's Election Regarding Insurance Proceeds. Subject to Section 2.20 hereof, the insurance loss proceeds shall be delivered to Mortgagee and be applied (pursuant to the provisions of this Article) to reduction or to the full payment of the Indebtedness unless Mortgagee elects to make said proceeds available for restoration purposes. Within thirty (30) days after receipt of the written notice referred to in Section 6.1, Mortgagee shall advise Mortgagor in writing as to whether Mortgagee elects to apply the insurance loss proceeds on the Indebtedness or for restoration of the Premises.

6.4. Total Destruction. If at any time during the term of this Mortgage all or substantially all of the Premises are damaged or destroyed, and if Mortgagee elects to have all insurance proceeds applied to payment of the Indebtedness but such insurance proceeds are not sufficient to pay in full the then unpaid balance of said Indebtedness, Mortgagor shall, within ten (10) days after application of the insurance proceeds, pay such deficiency to Mortgagee.

3005986

6.5. Application of Proceeds. If Mortgagee elects to have the insurance loss proceeds applied to pay in full or reduce the unpaid balance of the Indebtedness, said proceeds shall, promptly after receipt by Mortgagee, be applied by Mortgagee, first, to pay the actual costs, fees and expenses, if any, incurred in connection with the adjustment of the loss, and, second, to reduction or satisfaction of the Indebtedness. If the damage or destruction is less than total as treated in Section 6.4 above, and if part of the Premises is to remain open or be reopened for business, and if such proceeds are not sufficient to pay the Indebtedness in full, then such reduction shall be applied as provided in the Note.

6.6. Restoration. If the insurance proceeds are made available for restoration, Mortgagor shall at its sole cost and expense, whether or not the insurance proceeds, if any, shall be sufficient for the purpose, restore, repair, replace, and rebuild (hereinafter referred to as "Restoration") the Premises as nearly as possible to its value, condition and character immediately prior to such damage or destruction. In such event, all insurance money paid to Mortgagee on account of such damage or destruction, less the actual costs, fees and expenses, if any, incurred in connection with adjustment of the loss, shall be released by Mortgagee to be applied to payment (to the extent of actual Restoration performed) of the cost of the aforesaid Restoration, including the cost of temporary repairs or for the protection of property pending the completion of permanent Restoration. If the insurance proceeds are so made available by Mortgagee for Restoration, any surplus which may remain out of said proceeds after payment of the cost of Restoration shall, at the option of Mortgagee, be applied to the Indebtedness or be paid to any party entitled thereto and under the conditions that Mortgagee may require. Insurance proceeds released for Restoration shall at Mortgagee's option be paid out from time to time as such Restoration progresses or at one time upon completion of such Restoration subject to the following conditions:

(a) That Mortgagor is not then in Default under any of the terms, covenants and conditions hereof or under the Note, the Collateral Loan Documents or any Leases assigned to Mortgagee; and

(b) That Mortgagee shall first be given satisfactory proof that all Property, Improvements and Personal Property affected by the loss or damage have been fully restored, or that by the expenditure of such proceeds will be fully restored, free and clear of all liens except the lien of this Mortgage and Permitted Liens; and

3905986

(c) that in the event such proceeds shall be insufficient to restore or rebuild the Property, Improvements, and Personal Property, Mortgagor shall either (i) deposit promptly with Mortgagee funds which, together with the insurance proceeds, shall be sufficient to restore and rebuild the same, or (ii) provide other assurance satisfactory to Mortgagee of such Restoration; and

(d) that in the event Mortgagor shall fail within a reasonable time to restore or rebuild or cause to be restored or rebuilt the Property, Improvements and Personal Property, Mortgagee, at its option, may restore or rebuild the same or cause the same to be restored or rebuilt for or on behalf of Mortgagor and for such purpose may do all necessary acts.

In the event any of such conditions are not or cannot be satisfied, then the alternate disposition of such proceeds as provided herein shall again become applicable. Under no circumstances shall Mortgagee become personally liable for the fulfillment of the terms, covenants and conditions contained in any of the Leases with respect to the matters referred to in this Section 6.6 nor obligated to take any action to restore the Premises. Mortgagee shall not be obligated to see to the proper application of any funds released hereunder, nor shall any amount so released or used be deemed a payment of any Indebtedness.

6.7. Payment of Deposited Funds. Upon (a) completion of all the Restoration in good workmanlike manner and substantially in accordance with the plans and specifications therefor previously approved in writing by Mortgagor and (b) receipt by Mortgagee of satisfactory evidence of the character required by conditions (b) and (c) of Section 6.6 hereof, that the Restoration has been completed and paid for in full (or, if any part of such Restoration has not been paid for, adequate security for such payment shall exist in form satisfactory to Mortgagee) and that there are no liens of the character referred to in said condition (b), any balance of the insurance proceeds at the time held by Mortgagee shall be paid, as provided in this Article VI, to Mortgagor or its designee provided Mortgagor is not then in Default of any of the terms and provisions of this Mortgage, the Note or the Collateral Loan Documents.

6.8. Application of Insurance Proceeds in Event of Default. If, while any insurance proceeds are being held by Mortgagee to reimburse Mortgagor for the cost of Restoration of the Improvements on the Premises, Mortgagee shall be or become entitled to, and shall accelerate the Indebtedness, then and in such event, Mortgagee shall be entitled to apply all such insurance proceeds then held by it in reduction of the

3305985

Indebtedness and any excess held by it over the amount of Indebtedness then due hereunder shall be returned to Mortgagor or any party entitled thereto without interest.

ARTICLE VII.

EMINENT DOMAIN; CONDEMNATION AWARDS

7.1. Notice. In the event that the Premises, or any part thereof, shall be taken in condemnation proceedings or by exercise of any right of eminent domain or by conveyance(s) in lieu of condemnation (hereinafter called collectively, "condemnation proceedings"), or should Mortgagor receive any notice or information regarding any such condemnation proceedings, Mortgagor shall give prompt written notice thereof to Mortgagee. Mortgagor and Mortgagee shall have the right to participate in any such condemnation proceedings and the proceeds thereof subject to Section 2.20 hereof shall be deposited with Mortgagee and be distributed in the manner set forth in this Article VII. Mortgagor agrees to execute any and all further documents that may be required in order to facilitate collection of any award or awards and the making of any such deposit.

7.2. Assignment of Condemnation Awards. Mortgagor hereby grants, transfers and assigns to Mortgagee the proceeds of any and all awards or claims for damages, direct or consequential, which Mortgagor is otherwise entitled to receive, in connection with any condemnation of or injury to the Premises, or part thereof, or for conveyances in lieu of condemnation, and the same shall be paid to Mortgagee. Mortgagor hereby authorizes and directs any such condemning authority to make payment of such award(s) and claim(s) directly to Mortgagee. No interest shall be allowed to Mortgagor on any such condemnation awards paid to and held by Mortgagee.

7.3. Total Taking. Subject to Section 2.20 hereof if at any time during the term of this Mortgage, title to the whole or substantially all of the Premises shall be taken in condemnation proceedings or by agreement among Mortgagor, Mortgagee and those authorized to exercise such right, Mortgagee shall apply such award or proceeds which it receives pursuant to Section 7.2 hereof, first, to pay the actual costs, fees and expenses, if any, incurred in connection with the collection of the award, and, second, to fully pay all remaining Indebtedness and any excess award funds then remaining after payment of the Indebtedness in full shall be paid to Mortgagor. In the event that the amount of the award or proceeds received by Mortgagee shall not be sufficient to pay in full the then unpaid balance of the said Indebtedness Mortgagor shall, within ten (10) days after the application of

3905986

the award or proceeds as aforesaid, pay such deficiency to Mortgagee. For the purposes of this Section, "substantially all of the Premises" shall be deemed to have been taken if the portion of the Premises not so taken cannot be so repaired or reconstructed as to constitute a complete, rentable structure or structures capable of producing a fair and reasonable net annual income sufficient, after the payment of all operating expenses thereof, to retire the Indebtedness in accordance with the payment terms of the Note.

7.4. Partial Taking - Mortgagee's Election. Subject to Section 2.20 if at any time during the term of this Mortgage, title to less than the whole or substantially all of the Premises is taken as aforesaid, then Mortgagee will elect, within thirty (30) days after receipt of notice of such taking, whether to have the proceeds of the award applied to reduction of the unpaid principal balance of the Indebtedness or to have such proceeds made available to Mortgagor for the repair and reconstruction necessary to restore the Premises. If Mortgagee elects to have the award or proceeds applied to reduce the Indebtedness, said proceeds shall, promptly after receipt by Mortgagee, be applied by Mortgagee, first, to pay the actual costs, fees and expenses, if any, incurred in connection with the collection of the award, and, second, to reduce the Indebtedness provided for in the Note. If Mortgagee elects to have the proceeds of the award used for repair and restoration, all of the award or proceeds collected by Mortgagee shall be applied first to pay the actual costs, fees and expenses, if any, incurred in connection with the collection of the award, and the balance shall be paid toward the cost of demolition, repair and restoration, substantially in the same manner and subject to the same conditions as those provided in Section 6.6 hereof with respect to insurance proceeds and other monies. Any balance of such award proceeds remaining in the hands of Mortgagee after payment of such costs of demolition, repair and restoration as aforementioned, shall be retained by Mortgagee and applied in reduction of the Indebtedness as set forth in the Note. In the event that such costs shall exceed the net award amount collected by Mortgagee, Mortgagor shall pay the deficiency, on demand.

7.5. Abandonment; Failure of Mortgagor to Respond to Offer, etc. If the Premises are abandoned by Mortgagor or, if after notice to Mortgagee and/or Mortgagor, the condemnor offers to make an award or settle a claim for damages, Mortgagor fails to respond to the offer and fails to advise Mortgagee within thirty (30) days of the date of such notice, then Mortgagee is authorized to collect and apply the proceeds at Mortgagee's option either to restoration or repair of the Premises or to the Indebtedness.

3005985

7.6. Expenses. In the case of any taking covered by the provisions of this Article VII, Mortgagor and Mortgagee shall be entitled to reimbursement from any award or awards of all reasonable costs, fees and expenses incurred in the determination and collection of any such awards.

7.7. Application of Condemnation Awards in Event of Default. If, while any condemnation awards are being held by Mortgagee to reimburse Mortgagor for the cost of rebuilding or restoration of Improvements on the Premises, Mortgagee shall be or become entitled to, and shall accelerate the Indebtedness, then and in such event, Mortgagee shall be entitled to apply all such condemnation awards then held by it in reduction of the Indebtedness, and any excess held by it over the amount of indebtedness then due hereunder shall be returned to Mortgagor or any party entitled thereto without interest.

ARTICLE VIII.

HAZARDOUS SUBSTANCES PROVISIONS

8.1. Warranties and Representations. As used herein and in any of the Collateral Loan Documents, "Hazardous Substances" shall mean and include, but shall not be limited to, any element, substance, compound or mixture, including disease-causing agents, which after release into the environment and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly or indirectly, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions (including, without limitation, malfunctions in reproduction), or physical deformities in such organisms or their offspring, and all hazardous and toxic substances, wastes or materials, pollutants or contaminants (including, without limitation, asbestos, petroleum products, PCB's and raw materials which include hazardous constituents), or any other similar substances or materials which are included under or regulated by any local, state or federal law, rule or regulation pertaining to environmental regulation, contamination, clean-up or disclosure, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as now or hereafter amended ("CERCLA"), the Resource Conservation and Recovery Act, as now or hereafter amended ("RCRA"), the Superfund Amendments and Reauthorization Act of 1986, as now or hereafter amended ("SARA"), and the Toxic Substances Control Act, as now or hereafter amended ("TSCA") and all applicable state superlien or environmental clean-up or disclosure statutes (all such laws, rules and regulations being referred to collectively as "Environmental Laws"). Mortgagor represents and covenants and Beneficiary represents, warrants and covenants as follows:

3905985

(a) Beneficiary has had performed reasonable investigations, studies and tests as to any possible environmental contamination, liabilities or problems with respect to the Premises, including, without limitation, the storage, disposal, presence, discharge or release of any Hazardous Substances at or with respect to the Premises, and such investigations, studies, and tests have disclosed no Hazardous Substances or violations of any Environmental Laws.

(b) Neither Mortgagor, Beneficiary, the Premises, nor any other property owned by Mortgagor or Beneficiary is (i) subject to any private or governmental lien or judicial or administrative notice, order or action relating to Hazardous Substances or environmental problems, impairments or liabilities with respect to the Premises or such other property, or (ii) is in, or with any applicable notice and/or lapse of time, and/or failure to take certain curative or remedial actions, will be in, either direct or indirect violation of any Environmental Laws.

(c) No Hazardous Substances are located on nor to the best of Mortgagor's or Beneficiary's knowledge have any Hazardous Substances been stored, processed or disposed of on or released or discharged from (including ground water contamination) the Premises. No above or underground storage tanks exist on the Premises. Mortgagor shall not allow any Hazardous Substances to exist or be stored, located, discharged, possessed, managed, processed or otherwise handled on the Premises and shall comply with all Environmental Laws affecting the Premises. Notwithstanding the foregoing, Mortgagor may use and store those sorts of Hazardous Substances typically used for office purposes only in such amounts as are required for regular monthly use.

(d) Mortgagor shall immediately notify Mortgagee should Mortgagor become aware of (i) any Hazardous Substance or other environmental problem or liability with respect to the Premises, (ii) any lien, action or notice of the nature described in subparagraph (b) above, or (iii) any litigation or threat of litigation relating to any alleged unauthorized release of any Hazardous Substance or the existence of any Hazardous Substance or other environmental contamination, liability or problem with respect to or arising out of or in connection with the Premises. Mortgagor shall, at its own cost and expense, take all actions (to the extent and at the time or from time to time) as shall be necessary or advisable for the clean-up of the Premises, including all removal, containment and remedial actions in accordance with all applicable Environmental Laws (and in all events in a manner satisfactory to Mortgagee), and shall further pay or cause to be paid at no expense to Mortgagee all clean-up, administrative, and

3905985

enforcement costs of applicable governmental agencies or the parties protected by such Environmental Laws which may be asserted against the Premises, the owner thereof or a lienholder secured thereby. All costs (including, without limitation, those costs set forth above), damages, liabilities, losses, claims, expenses (including attorneys' fees and disbursements) which are incurred by Mortgagee, without the requirement that Mortgagee wait for the ultimate outcome of any litigation, claim or other proceeding, shall constitute Indebtedness hereunder and shall be immediately due and payable by Mortgagor without notice and any such amounts not so paid shall bear interest at the Post-Default Rate.

(e) Mortgagor hereby covenants and agrees not to do or take any action or omit or fail to take any such action which will result in the unauthorized release of any Hazardous Substance or the existence of any Hazardous Substance or other environmental contamination, liability or problem with respect to the Premises. Upon any such unauthorized release or discovery of the existence of any such Hazardous Substance or other environmental contamination, liability or problem, Mortgagor agrees to promptly give written notice to Mortgagee of the exact nature, scope and extent thereof.

(f) Mortgagor represents that it has obtained all necessary approvals and satisfactory clearances for use of the Premises from all governmental authorities, utility companies and development-related entities, including but not limited to the Metropolitan Water Reclamation District, the Illinois or United States Environmental Protection Agency, the United States Army Corp. of Engineers and other county or local departments, public water works and public utilities in regard to Mortgagor's use of the Premises, Mortgagor's discharge of chemicals, liquids and emissions, if any, and other chemicals into the atmosphere, ground water or surface water, from Mortgagor's operations on the Premises.

(g) Mortgagor does hereby covenant and agree that it will indemnify and save harmless Mortgagee, its officers, directors, partners, shareholders, employees, agents and attorneys from any loss, claim, action, costs, attorneys' fees and expenses arising from any environmental matter described in this Mortgage and Mortgagor does further agree and covenant that Mortgagee shall not assume any liability or obligation for loss, damage, fines, penalties, claims or duty to clean up or dispose of wastes or materials on or relating to the Premises, regardless of any inspections or other action made or taken by Mortgagee on the Premises or as a result of any conveyance of title of the Premises to Mortgagee or otherwise (except for any such environmental matter directly caused by Mortgagee's willful misconduct). Mortgagor agrees to remain fully liable

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and shall indemnify and hold harmless Mortgagee from any costs, expenses, clean-up costs, waste disposal costs, litigation costs, fines, penalties, including without limitation those costs, expenses, penalties and fines within the meaning of CERCLA, and other related liabilities, upon the occurrence of a breach of any of Mortgagor's foregoing representations, warranties and covenants.

8.2. Survival. All warranties and representations above shall be deemed to be continuing and shall remain true and correct in all material respects until the Indebtedness has been paid in full, the obligations completely satisfied, and any limitations period with respect to any claims under each of the Environmental Laws has expired. Mortgagor's covenants above shall survive any exercise of any remedy by Mortgagee under the Mortgage or any of the Collateral Loan Documents, including foreclosure of the lien of this Mortgage (or deed in lieu thereof or similar actions to the same effect), even if, as a part of such foreclosure, deed in lieu of foreclosure or similar action, the Indebtedness is satisfied in full. It shall, at the option of Mortgagee, be an event of Default hereunder if any of the representations or warranties set forth in this Article VIII now be or at any time hereafter become untrue or misleading or if the Premises, or any other property owned by Mortgagor or Beneficiary, becomes subject to any claim, notice, or action of a nature described in subparagraph 8.1(b) hereof. In addition to all other remedies that Mortgagee may have as a result of an event of Default, Mortgagee may accelerate payment of the Indebtedness as provided in the Note and in this Mortgage or any of the Collateral Loan Documents.

ARTICLE IX.

MISCELLANEOUS

9.1. Maximum Interest Payable. Neither the provisions of this Mortgage nor the Note secured hereby shall have the effect of, or be construed as requiring or permitting Mortgagor to pay interest in excess of the highest rate per annum allowed by the laws of the State of Illinois on any item or items of Indebtedness. If under any circumstances Mortgagee shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due hereunder and not to the payment of interest. This provision shall control every other provision of all agreements between Mortgagor and Mortgagee.

9.2. Payment by Any Party. Any payment made in accordance with the terms of this Mortgage by any person at any time liable for the payment of the whole or any part of the sums now

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or hereafter secured by this Mortgage, or by any subsequent owner of the Premises, or by any other person whose interest in the Premises might be prejudiced in the event of a failure to make such payment, or by any stockholder, officer or director of a corporation which at any time may be liable for such payment or may own or have such an interest in the Premises, shall be deemed, as among Mortgagee and all persons who at any time may be liable as aforesaid or may own the Premises, to have been made on behalf of all such persons.

9.3. Management. Mortgagee shall have an absolute right to approve, in its sole discretion, any agreements, including but not limited to leasing and management agreements, affecting the Premises or the operation thereof, entered into between Mortgagor or Beneficiary and Beneficiary or any affiliate of Beneficiary and shall have the right, in its reasonable discretion, to approve all other management and leasing agreements for the Premises (provided, however, that Mortgagee herein consents to North Suburban Development Corporation or Leslie I. Pime being the managing agent for the Premises for a fee not to exceed 4% of Gross Cash Receipts so long as Beneficiary remains in control and full ownership of such company and so long as the Loan is not in default). Mortgagee, at all times, shall have the right to approve, terminate and require changes in the leasing agents for the Premises. At any time after Default by Mortgagor in the performance of any of the terms, covenants or provisions of this Mortgage, the Note or the Collateral Loan Documents, or if Net Cash Flow as defined in the Note, is more than 10% below the budgeted amount approved by Mortgagee in the Budget and the monthly cash statements required hereby and if Mortgagee determines that the management or maintenance of the Premises is unsatisfactory, then Mortgagee shall have the right, at its sole option, to terminate any then existing management agreement and require that Mortgagor employ a managing agent for the Premises. Such managing agent may be selected by Mortgagor subject to Mortgagee's approval and shall be employed at Mortgagor's expense. The exercise of the rights herein conferred upon Mortgagee shall not be deemed an election of remedies or exclusive of any other right or remedy available to Mortgagee on account of such Default, but rather shall be in addition to all such other rights and remedies.

9.4. Certain Additional Powers of Mortgagee: Sale W/ Effect on Liability. Mortgagor consents to any and all renewals and extensions in the time of payment of the Indebtedness, and agrees further that at any time and from time to time without notice, the terms of payment provided for in the Note may be modified or the security described in this Mortgage released (in whole or in part) or increased, changed or exchanged by agreement between Mortgagee and any owner of the Premises affected by this Mortgage without in any way affecting the liability of any party to the Note, or any person liable or to become liable with respect to the Indebtedness. No sale of the Premises, or any forbearance by Mortgagee in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall be a waiver of or preclude the exercise of any right or remedy hereunder. Nor shall any sale of the Premises in anywise affect the liability of any party to the Note, or any person liable or to become liable with respect to the Indebtedness.

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No sale of the Premises, or any forbearance by Mortgagee in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall be a waiver of or preclude the exercise of any right or remedy hereunder. Nor shall any sale of the Premises in anywise affect the liability of any party to the Note, or any person liable or to become liable with respect to the Indebtedness.

9.5. Mortgagor's Duty to Defend and Pay Expenses.

Mortgagor, at its sole expense, will appear in and affirmatively defend all actions or proceedings purporting to affect the security hereof or any right or power of Mortgagee hereunder. Mortgagor shall save Mortgagee harmless from all costs and expenses, including but not limited to reasonable attorneys' fees, costs of title search, continuation of abstract(s) and preparation of survey incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body in which Mortgagee may be or become a party by reason of this Mortgage, including but not limited to condemnation, bankruptcy, and administrative proceedings, as well as any other of the foregoing where a proof of claim is by law required to be filed, or in which it becomes necessary to defend or uphold the terms or lien of this Mortgage. Mortgagee, in its sole discretion, may appear in and defend any such action or proceeding, and Mortgagee is authorized to pay, purchase or compromise on behalf of Mortgagor any encumbrance or claim which in its judgment appears to or purports to affect the security hereof or to be superior hereto. All expenditures and expenses of the nature in this paragraph mentioned and collection efforts regarding Mortgage payments, costs of exercising the rights granted under the Collateral Loan Documents, as well as recordkeeping costs resulting therefrom and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorneys employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Premises, including appellate, probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor. All sums expended or costs incurred by Mortgagee referred to in this Section, if not repaid on demand, shall with interest at the Post-Default Rate be deemed a part of the Indebtedness.

9.6. Documentary or Internal Revenue Stamps. If at any time the State of Illinois shall determine that the documentary stamps affixed to this Mortgage or the Note are insufficient or if no documentary stamps have been affixed for lawful reasons, that such stamps should thereafter be affixed, Mortgagor shall pay for the same, together with any interest or penalties

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imposed in connection with such determination; provided, however, that Mortgagee may elect to purchase and affix such stamps and pay such penalties and interest, and, if Mortgagee so elects, the amount of money needed to pay for such stamps and penalties shall, from the time that such stamps are purchased and affixed, be a portion of the Indebtedness and shall bear interest from the date of such determination at the Post-Default Rate. The same provisions and obligations shall apply with respect to any Internal Revenue Stamps or similar stamps that may be required at any time to be affixed to this Mortgage or the Note.

9.7. Tax on Mortgage. In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages or the manner of collecting taxes so as to affect adversely Mortgagee, the entire balance of the principal sum secured by this Mortgage and all interest accrued thereon shall upon thirty (30) days' written notice become due and payable forthwith at the option of Mortgagee. Provided, however, if Mortgagor is permitted by law to pay the same, and provided such payment will not make the Loan secured by this Mortgage usurious, then and so long as Mortgagor does in fact pay and continue to pay same to Mortgagee's satisfaction, Mortgagee agrees not to exercise its option under this Section 9.7 to accelerate the indebtedness. Nothing herein shall require Mortgagor to pay any income tax imposed on Mortgagee.

9.8. Forbearance, etc. Not a Waiver. Failure to accelerate the maturity of all Indebtedness upon the occurrence of any event of Default hereunder, or acceptance of any sum after the same is due, or acceptance of any sum less than the amount then due, or failure to demand strict performance by Mortgagor of the provisions of this Mortgage or any forbearance by Mortgagee in exercising any right or remedy hereunder or otherwise afforded by law shall not constitute a waiver by Mortgagee of any provision of this Mortgage nor nullify the effect of any previous exercise of any such option to accelerate or other right or remedy.

9.9. Fee for Services Rendered. Mortgagee reserves the right to assess Mortgagor and Mortgagor agrees to pay to Mortgagee a reasonable fee for services rendered in connection with the debt or property held as security for its repayment including but not limited to modification of any documents, collection efforts regarding Mortgage payments, costs of exercising rights under any of the Collateral Loan Documents, as well as recordkeeping costs resulting therefrom and attorneys' fees and court costs in connection with foreclosure

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proceedings under this Mortgage. Such fees shall, on notice to Mortgagor, become immediately due and payable to Mortgagee and such fees shall be added to the Indebtedness with interest thereon at the Post-Default Rate and Mortgagee may avail itself of any rights and remedies under Article IV hereof.

9.10. Mortgagee's Expenses. If Mortgagee shall incur or expend any sums including reasonable attorneys' fees, whether or not in connection with any action or proceeding, to sustain the lien of this Mortgage or its priority, or to protect or enforce any of its rights hereunder, or to recover any Indebtedness, or for any title examination or title insurance policy relating to the title to the Premises, all such sums shall on notice and demand be paid by Mortgagor, together with interest at the Post-Default Rate and shall be a lien on the Premises, prior to any right or title to, or claim upon, the Premises subordinate to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage.

9.11. Mortgagor Certifications. Mortgagor, upon request, made either personally or by mail, shall certify, by a writing duly acknowledged, to Mortgagee, or to any proposed assignee of this Mortgage, (a) the amount of principal and interest then owing on this Mortgage and whether any offsets or defenses exist against such Indebtedness, (b) a then current list of lessees of the Premises, if any, with beginning date and the term, minimum annual rent, amount of square footage, and status of each Lease, and (c) such other matters as Mortgagee may reasonably request, within ten (10) days of such request.

9.12. Filing and Recording Fees. Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the execution and acknowledgment of this Mortgage and all federal, state, county, and municipal taxes, and other taxes, duties, imposts, assessments and charges in connection with the execution and delivery of the Note, this Mortgage and the Collateral Loan Documents.

9.13. Tender of Payment after Default. Upon any Default by Mortgagor and following the acceleration of maturity of the Indebtedness, as herein provided, a tender of payment of the amount necessary to satisfy the entire Indebtedness made at any time prior to foreclosure or pursuant to any redemptive rights by Mortgagor, or anyone on behalf of Mortgagor, shall constitute an evasion of the prepayment terms of the Note secured hereby and be deemed to be a voluntary prepayment thereunder and any such payment will, therefore, include the additional payment required under the liquidated damages provisions contained in the Note secured hereby; or if at the time there are no enforceable liquidated damages, then such payment will include an additional payment equal to the greater of (a) five

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percent (5%) of the then unpaid principal balance, or (b) the difference between the effective annual compounded yield at the time of acceleration of Treasury Issues with maturity dates that match the maturity date of the Note immediately prior to acceleration (the "Original Maturity Date"), time the number of years (and any fraction thereof) remaining between the time of prepayment and the Original Maturity Date, times the principal amount accelerated.

9.14. Notices. All notices and other communications required or permitted under this Mortgage shall be in writing and shall be deemed to have been sufficiently given or served for all purposes herein set forth when received if hand delivered or if mailed by registered or certified mail, return receipt requested, addressed:

If to Beneficiary:

Leslie I. Pime
c/o
North Suburban Development Corporation
Edens Corporate Center
650 West Dundee Road
Northbrook, Illinois 60062

with a copy to:

Edward E. Yalowitz
Holleb & Coff
55 East Monroe Street
Suite 4100
Chicago, Illinois 60603

If to Mortgagor:

American National Bank and Trust Company
of Chicago
33 North LaSalle Street
Chicago, Illinois 60690
Attention: Land Trust Department

If to Mortgagee:

Hawthorn Realty Group, Inc.
10275 West Higgins Road
Suite 200
Rosemont, Illinois 60018

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with a copy to:

George M. Covington
Gardner, Carton & Douglas
321 North Clark Street
Suite 3400
Chicago, Illinois 60610-4795

or to such other address as may be specified from time to time by any of the above on notice to the other as herein provided.

9.15. Waiver of Rights by Mortgagor. Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (a) any appraisal before sale of any portion of the Premises, or (b) extension of the time for the enforcement or collection of the Note or the Indebtedness, or (c) creation of an extension of the period of redemption from or a moratorium on any sale made pursuant to this Mortgage. To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension, redemption or moratorium, and Mortgagor, for Mortgagor, Mortgagor's successors and assigns, and for any and all persons ever claiming any interest in the Premises, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisal, moratorium, stay of execution, notice of election to mature or declare due the whole of the Indebtedness and marshaling in the event of a foreclosure of the liens hereby created. If any law referred to in this Section 9.15 and now in force, of which Mortgagor, Mortgagor's successors and assigns or other person might take advantage despite this Section 9.15, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section 9.15. Mortgagor expressly waives and relinquishes any and all rights and remedies which Mortgagor may have or be able to assert by reason of the laws pertaining to the rights and remedies of sureties. Mortgagor waives, to the full extent permitted by law, all statutes of limitations as a defense to this Mortgage and any obligation secured by this Mortgage. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure, pursuant to rights herein granted, on behalf of Mortgagor, the trust estate and all persons beneficially interested therein if Mortgagor is a land trust, and each and every person acquiring any interest

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in, or title to, the Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of the Illinois Revised Statutes, including, without limitation, Chapter 110, Section 15-1601.

9.16. Right to Inspect; Entry Upon Premises. Upon reasonable prior notice, Mortgagee and any persons authorized by Mortgagee shall have the right to enter upon and inspect the Premises from time to time and to perform such environmental inspections, audits, tests and site assessments as Mortgagee deems necessary. Mortgagee shall attempt to minimize the disturbance of tenants of the Premises.

9.17. Joint and Several Liability. If Mortgagor consists of more than one party, such Mortgagors shall be jointly and severally liable under any and all obligations, covenants and agreements of Mortgagor contained herein.

9.18. Severability. In case any one or more of the covenants, agreements, terms or provisions contained herein or in the Note secured hereby, or in any of the Collateral Loan Documents, shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions shall in no way be affected, prejudiced or disturbed thereby, and to this end the provisions of all such loan documents are declared to be severable.

9.19. Loan Sale or Wrap Loan. Mortgagee shall have the right to sell, assign, participate, syndicate, transfer or hypothecate all or part of its interest in the Loan or to wrap a loan of a creditworthy institution, provided (i) Mortgagee shall pay all costs of originating, closing and servicing the new loan and (ii) Mortgagor shall not bear any additional cost or liability in connection with such transaction, all of which shall be borne solely by Mortgagee. Mortgagor shall cooperate in any arrangements by Mortgagee to effect a sale, assignment, participation, syndication, transfer or hypothecation of the Loan or a wrap of the Loan, including execution and delivery of new documentation for the Loan and estoppel letters in connection therewith.

9.20. Covenants "to Run with Land"; Successors and Assigns. This Mortgage and all the terms, covenants, conditions, agreements and requirements hereof, whether stated herein at length or incorporated herein by reference, shall be covenants running with the land so long as this Mortgage is in effect and shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Mortgagor and Mortgagee.

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9.21. Definitions. Wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word "Mortgagor" shall mean "Mortgagor and/or any subsequent owner or owners of the Premises"; the word "Mortgagee" shall mean "Mortgagee or any subsequent holder or holders of this Mortgage"; the word "Note" shall mean "Note of even date herewith secured by this Mortgage and any additional or substitute note or notes at any time secured by this Mortgage"; the word "person" shall mean "an individual, corporation, partnership or unincorporated association"; pronouns of any gender shall include the other gender; either the singular or plural shall include the other; and capitalized terms not otherwise defined herein shall have the meanings set forth in the Note.

9.22. Governing Law. This Mortgage has been executed and delivered in the State of Illinois and is to be construed and enforced according to and governed by the laws of the State of Illinois. Any provision of this Mortgage which provides, in substance, that any advance, expense or other payment by Mortgagee shall bear interest at the maximum rate permitted by applicable law shall be deemed to mean the maximum rate of interest under the law of the State of Illinois which may be agreed by contract between parties to debt instruments, or, if there is no such maximum rate, then the Post-Default Rate.

9.23. Modification Procedure. Neither this Mortgage, the Note nor any Collateral Loan Documents can be modified except by an instrument in writing executed by the party against whom enforcement of the change is sought. No requirement of this Mortgage, the Note or any Collateral Loan Document can be waived at any time except by a writing signed by Mortgagee, nor shall any waiver be deemed a waiver of any subsequent breach or Default of Mortgagor.

9.24. Captions. The headings or captions of the Articles, Sections, paragraphs, and subdivisions of this Mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof.

9.25. Business Purpose. Mortgagor represents and has been advised by its beneficiary that the proceeds of the loan secured by this Mortgage will be used for the purposes specified in Paragraph 6404 §(1)(c) of Chapter 17, Illinois Revised Statutes, and that the principal obligations secured hereby constitute a "business loan" which comes within the purview of said paragraph.

9.26. Commitment. Mortgagor represents and agrees that the Indebtedness, represents the proceeds of the Loan made and

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to be made by Mortgagee to Mortgagor pursuant to a Commitment dated October 18, 1989, (herein, together with any subsequent amendments to the Commitment, being called the "Commitment"), and in connection therewith Mortgagor hereby covenants and agrees duly and punctually to do and perform and observe all the terms, provisions, covenants and agreements on its part to be done, performed or observed by Mortgagor pursuant to the Commitment and further represents that all of the representations and statements of or on behalf of Mortgagor in the Commitment and in any documents and certificates delivered pursuant thereto are true and correct.

9.27. No Personal Liability for Debt.

(a) This Mortgage is executed by American National Bank and Trust Company of Chicago, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in the Note contained shall be construed as creating any liability on Trustee personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained (it being understood and agreed that each of the provisions hereof, except the warranty hereinabove contained in this clause, shall constitute a condition and not a covenant or agreement, regardless of whether the same may be couched in language of a promise or covenant or agreement), all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as Trustee and its successors personally are concerned, the legal holder or holders of the Note and the owner or owners of any Indebtedness accruing hereunder shall look solely to any one or more of: (i) the Premises hereby conveyed and the rents, issues and profits thereof, for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in the Note provided; (ii) any other security given to secure said Indebtedness; or (iii) the personal liability of Beneficiary under the guaranty.

(b) Nothing contained in the foregoing Section 9.27(a) shall be deemed to relieve Beneficiary from personal liability for (i) failure to return security deposits of tenants of the Premises held by Mortgagor or by any agent of Mortgagor or its beneficiary as required by the terms of such tenants' leases or rental agreements or by Illinois law; (ii) rents collected more than one month in advance from any such

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tenants; (iii) rents or other income from the Premises collected after a Default and not properly applied to the loan or expended for the customary operating expenses of the Premises; (iv) misappropriation or misapplication of insurance or condemnation proceeds; (v) fraud, intentional misrepresentations or intentional breaches of covenants or warranties contained in the Note, this Mortgage, or any of the Collateral Loan Documents (excluding the covenant to repay the debt except as expressly provided in separate Guaranty); (vi) the indemnification obligations to Mortgagor with respect to Hazardous Substances as contained herein; and (vii) any expense, damages, loss or liability arising from the application of statutes or other laws relating to the discharge or presence of Hazardous Substances (as defined in this Mortgage) or petroleum products on the Premises.

IN WITNESS WHEREOF, Mortgagor has executed this First Mortgage and Security Agreement as of the day and year first above written.

AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO, as trustee
under a Trust Agreement dated
September 23, 1985 and known as
Trust No. 65581

By: 
Title: J. M. Paine Vice President

By: 
Title: ASSISTANT SECRETARY


Leslie I. Pime, an individual

This instrument was prepared by
(and after recording mail to)
GEORGE M. COVINGTON
WENDY FREYER
Gardner, Carton & Douglas
321 N. Clark Street
Suite 3400
Chicago, Illinois 60610-4795

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STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

L. M. SOVIENSKI

I, _____, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that P. JOHANSEN ~~Second Vice~~ President of American National Bank and Trust Company of Chicago, and Claire Rosati Feley, ~~ASSISTANT~~ Secretary of said Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth.

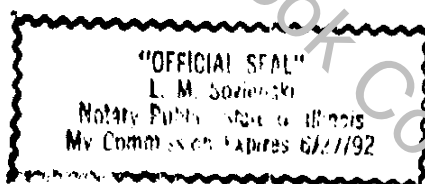
AUG 17 1990

Given under my hand and official seal this ___ day of August, 1990.

L. M. Sovienksi

Notary Public

(Seal)



My Commission Expires

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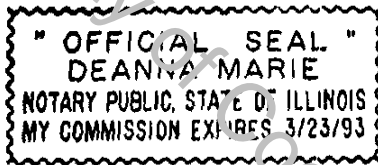
STATE OF ILLINOIS)
COUNTY OF Cook) SS:

I Deanna Marie a notary public in and for said county in the state of aforesaid, DO HEREBY CERTIFY that, LESLIE I. PIME, an individual, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 17th day of August, 1990.

Deanna Marie
Notary Public

(SEAL)



Commission Expires

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EXHIBIT A LEGAL DESCRIPTION

THAT PART OF THE SOUTH WEST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THE SOUTH 33.00 FEET THEREOF, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE SOUTH LINE OF SAID SOUTH WEST 1/4 OF SAID SOUTH EAST 1/4, 610.50 FEET EAST OF THE SOUTHWEST CORNER OF SAID SOUTH WEST 1/4 OF SAID SOUTH EAST 1/4; THENCE NORTH 734 FEET; THENCE NORTH 89 DEGREES 23 MINUTES EAST 225.00 FEET; THENCE NORTH 0 DEGREES 06 1/2 MINUTES EAST 157.30 FEET, TO A POINT IN THE WESTERLY LINE OF THE RIGHT-OF-WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY; THENCE SOUTHEASTERLY ALONG SAID WESTERLY LINE OF THE SAID RIGHT-OF-WAY 997.90 FEET, TO THE INTERSECTION OF SAID RIGHT-OF-WAY LINE WITH THE SOUTH LINE OF THE SAID SOUTH WEST 1/4 OF THE SOUTH EAST 1/4; THENCE WEST ALONG THE SOUTH LINE OF SAID SOUTH WEST 1/4 OF THE SOUTH EAST 1/4, 669.22 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Address: 630 and 650 West Dundee Road
Northbrook, Illinois 60062

P.I.N.: 04-02-416-005

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EXHIBIT B

Permitted Liens

1. General Real Estate Taxes for 1990 and subsequent years
2. The Senior Mortgage as defined herein
3. Easement for drainage system as contained in a document filed as LR3043484
4. Easements for public utilities and drainage as contained in a document filed as LR3561073.

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IN DUPLICATE

CAROL REGENT BRAUN
REGISTRAR OF TITLES

1990 AUG 11 PM 4: 30

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Submitted by _____

Address _____

Promised _____

Delivered certifi. to _____

Address _____

Subject of duplicate Trust

Deed to _____

Address _____

Notified _____

GURTONS