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Date: October 17, 2003

MORTGAGE, ASSIGNMENT OF LEASES
AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING
(this "Mortgage")

FROM

LUCKY SPIN LAUNDRIES, LLC,
A Delaware limited liability company
("Mortgagor")

Address: 6500 Flotilla Street
Los Angeles, California 90040

TO

FORTRESS CREDIT OPPORTUNITIES I L.P.,
A Delaware limited partnership, in its capacity as agent for the financial institutions from time to time parties to the Loan Agreement (hereinafter defined) as lenders ("Lenders"), whether by execution of the Loan Agreement (hereinafter defined) or an Assignment and Acceptance as defined in the Loan Agreement (hereinafter defined), having an office at 1251 Avenue of the Americas, New York, New York 10020

("Mortgagee")

Mortgage Amount: \$37,000,000
Property Address: 6501-6517 South Cottage Grove Avenue, Chicago, Illinois 60637

Pin Numbers: 20-23-112-001-0000, 20-23-112-002-0000, 20-23-112-030-0000 and
20-23-112-031-0000

Cook County, Illinois

This instrument prepared by, and after recording please return to:

Otterbourg, Steindler, Houston
& Rosen, P.C.
230 Park Avenue
New York, New York 10169
Attention: Donald N. Gellert, Esq.

Box 333



Doc#: 0329532178
Eugene "Gene" Moore Fee: \$96.00
Cook County Recorder of Deeds
Date: 10/22/2003 02:47 PM Pg: 1 of 37

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Property of Cook County Clerk's Office

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MORTGAGE, DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT and FIXTURE FILING, is made and executed as of the 17 day of October, 2003, by LUCKY SPIN LAUNDRIES, LLC, a Delaware limited liability Company having an office at 6500 Flotilla Street, Los Angeles, California ("Mortgagor" or "Grantor") and delivered to FORTRESS CREDIT OPPORTUNITIES I L.P., a Delaware limited partnership having an office at 1251 Avenue of the Americas, New York, New York 10020 in its capacity as agent for the financial institutions from time to time parties to the Loan Agreement (as defined below) as lenders ("Lenders") whether by execution of the Loan Agreement or an Assignment and Acceptance as defined in the Loan Agreement ("Mortgagee" or "Beneficiary").

Preliminary Statement

WHEREAS, Mortgagor is the owner of certain real property in fee simple and buildings and improvements thereon together with related rights as further described herein; and

WHEREAS, Mortgagor (as such term is defined in the Loan Agreement entered into certain financing arrangements with Mortgagee, as set forth in the Loan Agreement, dated as of the date hereof, by and among Mortgagor, the Lenders and Mortgagee (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, are collectively referred to herein as the "Loan Agreement"), pursuant to which Mortgagee has or will make certain loans, to Mortgagor; and

WHEREAS, Mortgagor, by this Mortgage, intend to secure and does hereby secure all indebtedness and other obligations of Mortgagor to Mortgagee as hereinafter further described, including (a) all existing and future liabilities and obligations of Mortgagor to Mortgagee, up to the aggregate principal amount of THIRTY- SEVEN MILLION DOLLARS (\$37,000,000) at any time and from time to time outstanding, and (b) all other indebtedness of Mortgagor to Mortgagee, including, without limitation, all interest on such principal sum, costs, expenses and reasonable attorneys' fees accruing or incurred in connection therewith, as herein after further described.

WHEREAS, the Loan Agreement, this Mortgage and all other documents now or hereafter entered into by Mortgagor to evidence or secure the Obligations (as defined below) otherwise executed and delivered by Mortgagor in connection with the Loan Agreement are hereinafter referred to as the "Loan Documents."

WHEREAS, Mortgagor agreed to execute and deliver this Mortgage as a condition precedent to the agreement of Mortgagee to execute and deliver the Loan Agreement.

NOTWITHSTANDING anything to the contrary herein contained,

(i) to the extent the Mortgaged Property (as defined below) is located in any of the following State(s), this Mortgage shall be deemed to be and shall be enforceable as a mortgage,

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assignment of leases and rents, security agreement and fixture filing: ILLINOIS and/or MICHIGAN;

(ii) to the extent the Mortgaged Property is located in any of the following State(s), this Mortgage shall be deemed to be and shall be enforceable as a deed of trust, assignment of leases and rents, security agreement and fixture filing: MARYLAND, MISSOURI and/or TEXAS.

WHEREVER herein contained to the extent the Mortgaged Property is located in any of the State(s) listed in Subsection (ii) above, the word "Mortgagor" shall mean "Grantor", the word "Mortgagee" shall mean "Beneficiary, the word "Mortgage" shall mean "Deed of Trust" and the word "Mortgaged Property" shall mean "Trust Property". All capitalized terms used in this Mortgage, unless otherwise defined in this Mortgage, shall have the same meanings as in the Loan Agreement.

To the extent the Mortgage Property are located in any of the States listed in subsection (i), Trustee shall have no rights, power of obligations in these States. To the extent the Premises are located in any of the States listed in subsection (ii) above, references to Mortgagee shall, if the context so requires, be deemed to be references to Mortgagee, as beneficiary.

NOW, THEREFORE, in consideration of the premises and to secure the payment, performance and observance by Mortgagor of the Loan Agreement and the obligations of Mortgagor as hereinafter provided, Mortgagor does hereby GRANT, WITH MORTGAGE COVENANTS, TO MORTGAGEE OR TRUSTEE, AS APPLICABLE, its successors and assigns forever, all of Mortgagor's estate, right, title and interest in, to and under the property described in Paragraphs A through J below, all of which is referred to herein as the "Mortgaged Property," whether now owned or held or hereafter acquired:

- A. Land. The real property described in Exhibit A attached thereto (the "Land").
- B. Improvements. All buildings, structures and improvements, and all additions or alterations thereto, now or hereafter erected on the Land, including but not limited to any attachments, apparatus and other improvements (collectively, "Improvements").
- C. Fixtures. All right, title and interest of Mortgagor in and to all materials, supplies, equipment, apparatus, personal property, goods and other items, excluding inventory and motor vehicles, now or hereafter attached to, installed in, located on or used in connection with (temporarily or permanently) any of the Improvements or the Land, including but not limited to, all partitions, window screens, shades, drapes and other window coverings, carpets, rugs, and other floor coverings, furniture, furnishings, awnings, motors, engines, boilers, furnaces, pipes, plumbing, sprinkler systems, fire prevention or extinguishing apparatus and equipment, water tanks, light fixtures, communication systems, appliances, antennas, building materials, landscaping, and all equipment, machinery, fixtures and fittings used in connection with the generation, distribution, regulation or metering of air, water, heat, electricity, fuel or refrigeration or for ventilating or sanitary purposes or for the exclusion of vermin or insects or for the removal of dust, refuse or garbage, it being intended and agreed that all such items be conclusively deemed to be fixtures (collectively, "Fixtures"). The Land, the Improvements and the Fixtures are sometimes hereafter referred to, collectively, as the "Property."

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D. Leases, Rents, etc. All leases, subleases, licenses, concessions or other agreements now or hereafter in effect, that grant to a third party a possessory interest in, or right to use, all or a portion of the Property (collectively, "Leases"), and the rents, issues, profits, royalties, income and other benefits payable under all such Leases, including without limitation, all security deposits, advance rentals and deposits or payments of a similar nature, or otherwise arising from the use or enjoyment of all or any portion of the Property (collectively, "Rents"). As long as no "Default" (as hereinafter defined) exists under this Mortgage, the grant contained in this Paragraph D is subject to the right of Mortgagor to collect and use the Rents from each Lease (but not more than one month in advance).

E. Easements. Any and all easements, rights-of-way (including rights in any open or proposed street), sidewalks, alleys, strips of land, waters, water rights and powers and shares of stock evidencing the same and other rights, used in connection with the Property or as a means of access thereto or that are otherwise of benefit thereto to the users thereof, and all tenements, hereditaments and appurtenances thereto.

F. Proceeds. All proceeds of the conversion of the Mortgaged Property, whether voluntary or involuntary, into cash or liquidated claims, any and all awards (or claims for awards) made for a taking by eminent domain, or by any event in lieu thereof, of all or any part of the Mortgaged Property, including, without limitation, awards for severance damages, any proceeds (or claims for proceeds) of casualty, liability or other insurance pertaining to the Mortgaged Property (whether or not required hereunder) or otherwise required hereunder and all refunds of real estate taxes and assessments with respect to the Property (collectively, "Awards and Proceeds").

G. Claims. Any claim or demand against anyone with respect to damage to the Mortgaged Property, including without limitation, damage arising from any defect in the design or construction of the Improvements or in the condition of the Property (collectively, "Claims").

H. Deposits. Deposits or security or advance payments made by or on behalf of Mortgagor to others with respect to (a) insurance policies relating to the Mortgaged Property (whether or not required hereunder), (b) utility services for the Mortgaged Property and (c) maintenance, repair or similar services for the Mortgaged Property (collectively, "Deposits").

I. Contract Rights and Permits. All management agreements, construction contracts, architects' agreements, payment and performance bonds, licenses, permits, certificates and other contracts necessary or useful in connection with the ownership, use, enjoyment, occupancy, management or operation of the Property (collectively, "Contract Rights").

J. Additional Interests. All interests, estate or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Mortgaged Property or any part thereof or any interest therein.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use and benefit forever, subject, however, to the terms and conditions herein

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THIS MORTGAGE IS GIVEN TO SECURE:

(a) all obligations, liabilities and indebtedness of Mortgagor in respect of the Loans (as defined in the Loan Agreement); and

(b) all interest (which interest may be deferred, accrued or capitalized), costs and expenses (including reasonable attorneys' fees and expenses), other charges and fees provided to be paid by Mortgagor herein and in the other Loan Documents, advances made by Mortgagee to protect or preserve the Mortgaged Property, any part thereof, or the interests of Mortgagee therein or for payment of taxes, assessments, insurance premiums and other amounts as provided therein or herein.

All of the foregoing being referred to herein, collectively, as the "Obligations"; provided, however, that if when all of the other Obligations have been finally and indefeasibly paid in full, the supplemental fee described in Section 3.01(c) of the Loan Agreement is not payable, then such supplemental fee shall not be deemed an Obligation secured by this Mortgage.

If Mortgagor pays the principal and interest secured by this Mortgage, performs the other Obligations secured hereby and the conditions of this Mortgage, pays all taxes and assessments, maintains insurance against fire and other hazards, and does not commit or suffer waste, and Mortgagee no longer has any obligation to advance funds under the Loan Documents, then the estate granted by this Mortgage shall cease, determine and be void and Mortgagee, or Trustee as applicable, shall furnish to Mortgagor, at Mortgagee's expense, a satisfaction or release of this Mortgage in proper form for recording.

IT IS A FURTHER CONDITION OF THIS MORTGAGE, AND MORTGAGOR HEREBY FURTHER REPRESENTS, WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

1. **PAYMENT OF INDEBTEDNESS.** Mortgagor shall pay the principal of and interest on, and all other sums due with respect to the Loan Agreement, and pay all other monies and indebtedness secured by this Mortgage, in legal tender of the United States, when and as the same become due, as provided by the Loan Documents. Mortgagor shall pay any taxes, except income taxes, imposed on Mortgagee by reason of its ownership of the Loan Agreement or any of the Loan Documents.

2. **FUNDS FOR TAXES, INSURANCE AND OTHER CHARGES.** (a) If requested by Mortgagee and provided that a Default (as defined below) shall have occurred, Mortgagor shall pay to Mortgagee on the day monthly installments of principal and interest are payable under the Loan Agreement (or on another day designated in writing by Mortgagee), until the Obligations are paid in full, a sum (the "Funds") equal to one-twelfth of (i) the yearly water and sewer rates and taxes and assessments which may be levied on the Mortgaged Property and (ii) the yearly premium installments for fire and other hazard insurance and such other insurance covering the Mortgaged Property required pursuant to Section 4 hereof, all as reasonably estimated initially and from time to time by Mortgagee on the basis of assessments and bills and reasonable estimates thereof. Mortgagee may revoke any waiver by Mortgagee of a requirement that Mortgagor pay such Funds to Mortgagee in Mortgagee's sole discretion, at any time upon notice in writing to Mortgagor. Mortgagee may require Mortgagor to pay to Mortgagee, in advance,

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such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Mortgagor or the Mortgaged Property which Mortgagee shall reasonably deem necessary to protect Mortgagee's interests ("Other Impositions"). Unless otherwise provided by applicable law, Mortgagee may require Funds for Other Impositions to be paid by Mortgagor in a lump sum or in periodic installments, at Mortgagee's option.

(b) Mortgagee shall hold the Funds and Mortgagee shall apply the Funds to pay said rates, taxes, assessments, insurance premiums and Other Impositions so long as Mortgagor is not in breach of any covenant or agreement of Mortgagor in this Mortgage. Mortgagee shall make no charge for so holding and applying the Funds or for verifying and compiling said assessments and bills, unless Mortgagee pays Mortgagor interest, earnings or profits on the Funds and applicable law permits Mortgagee to make such a charge. Mortgagor and Mortgagee may agree in writing that interest on the Funds shall be paid to Mortgagor, and unless such agreement is made or applicable law requires interest, earnings or profits to be paid, Mortgagee shall not be required to pay Mortgagor any interest, earnings or profits on the Funds. Mortgagee shall give to Mortgagor, without charge, an annual accounting of the Funds in Mortgagee's normal format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

(c) If the amount of the Funds held by Mortgagee at the time of the annual accounting thereof shall exceed the amount deemed necessary by Mortgagee to provide for the payment of water and sewer rates, taxes, assessments, insurance premiums and Other Impositions, as they fall due, such excess shall be credited to Mortgagor on the next monthly installment or installments of Funds due. If at any time the amount of the Funds held by Mortgagee shall be less than the amount deemed necessary by Mortgagee to pay water and sewer rates, taxes, assessments, insurance premiums and Other Impositions, as they fall due, Mortgagor shall pay to Mortgagee any amount necessary to make up the deficiency within thirty days after notice from Mortgagee to Mortgagor requesting payment thereof.

(d) Upon Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, Mortgagee may apply, in any amount and in any order as Mortgagee shall determine in Mortgagee's sole discretion, any Funds held by Mortgagee at the time of application (i) to pay rates, taxes, assessments, insurance premiums and Other Impositions which are now or will hereafter become due, or (ii) as a credit against sums secured by this Mortgage.

(e) Nothing contained in this Paragraph shall be deemed to limit Mortgagee's right under the Loan Agreement with respect to the Interest Reserve or the Working Capital Reserve or its rights under the Loan Agreement to establish, at any time while the Obligations remain outstanding and a Default shall have occurred and be continuing, a reserve to pay the water and sewer rates, taxes, assessments, insurance premiums and Other Impositions against loans otherwise available to the Mortgagor, it being understood and agreed by Mortgagor that the right of Mortgagee to establish an escrow under this Paragraph shall be additional to and not in lieu of Mortgagee's right to establish such a reserve.

3. TITLE. Mortgagor represents and warrants that it is the owner of good and marketable title to all of the Mortgaged Property, free and clear of all restrictions, encumbrances, liens and claims whatsoever, excepting only the matters described in the policy of title insurance

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issued to Mortgagee in connection with this Mortgage or such liens and encumbrances as are otherwise permitted hereby (the "Permitted Exceptions"); and that the Mortgagor, at its expense, will forever warrant and defend such title to the Mortgaged Property and the lien and security interest of this Mortgage and the other Loan Documents against all claims and demands of all persons and will maintain and preserve such lien and security interest as long as all or any portion of the Obligations secured hereby are outstanding, subject only to the Permitted Exceptions. The benefits of these warranties of title shall inure to Mortgagee, its successors and assigns and any purchaser at any foreclosure sale.

4. INSURANCE. Mortgagor shall obtain and at all times keep in force the following policies of insurance:

4.1 Insurance against loss or damage to the Improvements and Fixtures by fire, lightning and such perils as are at this time comprehended within the term "all risk," and against any other risks or hazards that Mortgagee shall require, in an amount acceptable to Mortgagee and that shall be sufficient so that Mortgagor will not be deemed a co-insurer. Such policies of insurance shall contain the "replacement cost endorsement."

4.2 Comprehensive public liability insurance for injuries to person, including death, and property damage insurance including loss of use thereof, in an amount acceptable to Mortgagee.

4.3 During the course of any construction or repair of Improvements and Fixtures on the Land, builder's completed value risk insurance against "all risks of physical loss," including collapse, in an amount satisfactory to Mortgagee.

4.4 Such other insurance in such form and in such amounts as may from time to time be requested by Mortgagee and including flood insurance in the amount of the maximum available coverage, if the Mortgaged Property or any part thereof is in an area designated by the Department of Housing and Urban Development, the Federal Insurance Administration or other governmental agency, as subject to special flood risks, whether pursuant to the Flood Disaster Protection Act of 1973, any successor statute or otherwise.

All insurance policies and renewals thereof shall be issued by companies approved by Mortgagee as to financial standing according to such standards as may be accepted from time to time by Mortgagee, for terms and in form and content reasonably acceptable to Mortgagee, and shall include a standard mortgage clause in favor of and in form and content acceptable to Mortgagee, shall name Mortgagee as an additional insured, and shall not be cancelable without at least 30 days prior written notice to Mortgagee. Mortgagor will promptly furnish to Mortgagee the original policies of such insurance or certificates thereof in form satisfactory to Mortgagee showing that such policies are in force and the premium fully paid. Original policies or certificates of insurance replacing expiring policies shall be furnished to Mortgagee at least 30 days before the date of each such expiration. The delivery of the original insurance policies or certificates shall constitute an assignment as additional security of all unearned premiums.

5. DAMAGE AND DESTRUCTION. In the event of loss, damage or destruction of all or part of the Mortgaged Property, Mortgagor will give immediate written notice to the insurance carrier and to the Mortgagee. Mortgagor hereby authorizes and empowers the Mortgagee as

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attorney-in-fact for Mortgagor to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom the Mortgagee's expenses incurred in the collection of such proceeds; but nothing contained herein shall require the Mortgagee to incur any expense or take any action hereunder. To the extent provided in the Loan Agreement, Mortgagor authorizes the Mortgagee to hold the balance of such proceeds and agrees to pay to Mortgagee any such proceeds received by Mortgagor. Such proceeds shall be disbursed or applied in the manner provided in Section 3.03(d) of the Loan Agreement.

6. **INDEMNIFICATION.** Mortgagor will protect, save harmless and indemnify Mortgagee from and against any and all claims, liabilities, costs and expenses, of whatever nature, that may arise or result, directly or indirectly, by reason of the use, occupation or operation of the Mortgaged Property or any part thereof, except to the extent that such claims, liabilities, costs and expenses arise or result from Mortgagee's gross negligence or willful misconduct.

7. **ENVIRONMENTAL.** Mortgagor shall at all times during the term of this Mortgage (a) keep the Mortgaged Property free of any Environmental Liens; (b) comply in all material respects with Environmental Laws and provide to Mortgagee any documentation of such compliance that Mortgagee may reasonably request; (c) provide Mortgagee written notice within ten (10) days of any Release of a Hazardous Material in excess of any reportable quantity from or onto property at any time owned or operated by it and take any Remedial Actions required to abate such Release; (d) provide Mortgagee with written notice within ten (10) days of the receipt of any of the following: (i) notice that an Environmental Lien has been filed against any of the Mortgaged Property; (ii) commencement of any Environmental Claim or notice that an Environmental Action will be filed against Mortgagor; and (iii) notice of a violation, citation or other order which could have a Material Adverse Effect; and (e) defend, indemnify and hold harmless Mortgagee and Lenders and their respective transferees, and their respective employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses (including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses) arising out of (A) the generation, presence, disposal, Release or threatened Release of any Hazardous Materials on, under, in, originating or emanating from the Mortgaged Property, (B) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to the presence or Release of such Hazardous Materials, (C) any request for information, investigation, lawsuit brought or threatened, settlement reached or order by a Governmental Authority relating to the presence or Release of such Hazardous Materials, (D) any violation of any Environmental Law in respect of the Mortgaged Property and/or (E) any Environmental Action filed against Agent or any Lender in respect of the Mortgaged Property.

8. **LIENS AND TAXES.** Mortgagor will not suffer or permit any mechanics', laborers' or materialmen's liens, or claims of lien, to be filed or otherwise asserted against or to remain on the Mortgaged Property for more than 30 days, and shall cause the same to be released and discharged, or transferred to bond as permitted by law prior to the expiration of the 30 day period. Mortgagor will pay, or cause to be paid, before they become delinquent, all taxes, assessments, water and sewer rents, license fees, dues, charges and levies of any kind, general or specific, imposed upon the Mortgaged Property or upon any part thereof or upon any interests of

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Mortgagor or Mortgagee therein and will furnish Mortgagee upon request evidence satisfactory to Mortgagee of the timely payment of same.

9. **CHANGE IN LAW.** In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, 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 adversely affect Mortgagee, then Mortgagee shall notify Mortgagor and Mortgagor shall promptly pay the amount of such tax to Mortgagee.

10. **UTILITIES.** Mortgagor shall pay when due all charges for utility services furnished to or consumed on the Mortgaged Property or that may become a charge or lien against all or part of the Mortgaged Property, and shall pay all other assessments or charges of a similar nature affecting the Mortgaged Property whether or not such assessments or charges are liens thereon.

11. **INSPECTION.** Mortgagor agrees that Mortgagee and representatives of Mortgagee and any Lender, at any time and from time to time during normal business hours upon prior notice to Mortgagor so long as no Default (as defined in the Loan Agreement) or Event of Default (as defined in the Loan Agreement) shall exist or have occurred and be continuing, may visit and inspect the Mortgaged Property, conduct valuations, appraisals, Phase I Environmental Site Assessments (and if requested by Mortgagee based upon the results of any such Phase I Environmental Site Assessment and after the occurrence and during the continuance of an Event of Default (as defined in the Loan Agreement) a Phase II Environmental Site Assessment) or examinations of the Mortgaged Property.

12. **MAINTENANCE AND REPAIR; ALTERATIONS.** Mortgagor will, at all times, preserve and keep the Mortgaged Property and will not permit or suffer any waste thereof, and will keep and maintain the grounds, sidewalks, roads, parking and landscaped areas in good order and repair. Mortgagor will promptly repair, restore, replace or rebuild, to substantially its former condition, any part of the Mortgaged Property that may be damaged or destroyed by any casualty or cause whatsoever or that may be affected by condemnation or alteration of the grade of any street or roadway. Mortgagor will not permit or allow any demolition, removal or material alteration of the Mortgaged Property, or any part thereof, without Mortgagee's prior written consent. Mortgagor will, from time to time, make all needed and proper repairs, betterments, renewals, replacements and improvements to the Mortgaged Property, including (but not limited to) whenever any portion or item of the Mortgaged Property shall be worn out or damaged or destroyed or shall have become obsolete, inefficient or otherwise unfit for use; excepting, however, any items of a minor nature that Mortgagor determines, in good faith, are not required for the operation of the Mortgaged Property. Any such property that shall be replaced shall be replaced with other property of at least equal utility, value and efficiency to that of the replaced property and shall be free from any security interest or other lien or encumbrance and from any reservation of title, and by such replacement Mortgagor shall be deemed to have subjected such property to the lien of this Mortgage.

13. **COMPLIANCE WITH LAWS AND OTHER REQUIREMENTS.** Mortgagor will, at all times, comply with, or cause to be complied with, (a) all laws, ordinances and requirements of governmental authorities, (b) all requirements of insurance rating and inspection bureaus, and

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(c) all restrictive covenants, easements and other title exceptions, relating to the Mortgaged Property or any part thereof.

14. DUE ON SALE OR ENCUMBRANCE. At the option of Mortgagee, the entire amount of the Obligations will become immediately due and payable:

(a) Except as permitted by the Loan Agreement, if Mortgagor shall transfer, or agree to transfer, in any manner, either voluntarily or involuntarily, by operation of law or otherwise, all or any portion of the Mortgaged Property, or any interest therein (including any air or development rights) without, in any such case, Mortgagee's prior written consent. Mortgagee may grant or deny such consent in its sole discretion and, if consent should be given, any such transfer shall be subject to this Mortgage and any other documents that evidence or secure the loan secured hereby, and any such transferee shall assume all of Mortgagor's obligations hereunder and thereunder and agree to be bound by all provisions and perform all obligations contained herein and therein. Consent to one such transfer shall not be deemed to be a waiver of the right to require consent to future or successive transfers. As used herein "transfer" shall include, without limitation, any sale, assignment, lease or conveyance except leases for occupancy subordinate to this Mortgage and to all loans or advances made and to be made hereunder and, if Mortgagor is a partnership, joint venture, trust, limited liability company or corporation, the sale, conveyance, transfer or other disposition of any interest therein; or

(b) Except as permitted by the Loan Agreement, if Mortgagor shall encumber, or agree to encumber, in any manner, either voluntarily or involuntarily, by operation of law or otherwise, all or any portion of the Mortgaged Property, or any interest therein (including any air or development rights) or any interest in Mortgagor without, in any such case, Mortgagee's prior written consent. Mortgagee may grant or deny such consent in its sole discretion and, if consent should be given, any such encumbrance shall be subject to this Mortgage and any documents which evidence or secure the loan secured hereby. Consent to one such encumbrance shall not be deemed to be a waiver of the right to require consent to future or successive encumbrances. As used herein "encumber" shall include, without limitation, the placing or permitting the placing of any mortgage, deed of trust, assignment of rents or other security device on the Mortgaged Property and, if Mortgagor is a partnership, joint venture, trust, limited liability company or corporation, on any interest therein.

15. EMINENT DOMAIN. Notwithstanding any taking by eminent domain, alteration of the grade of any street or other injury to or decrease in value of the Mortgaged Property by any public or quasi-public authority or corporation, Mortgagor shall continue to pay interest on the entire principal sum secured hereby until Mortgagee shall have actually received any such award or payment and any reduction in the principal sum resulting from Mortgagee's application of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such receipt. Mortgagor hereby authorizes and empowers Mortgagee as attorney-in-fact for Mortgagor to make proof of loss, to adjust and compromise any claim under the power of eminent domain, to appear in and prosecute any action for condemnation awards or proceeds, and to deduct therefrom Mortgagee's expenses incurred in the collection of such awards and proceeds; but nothing contained herein shall require Mortgagee to incur any expense or take any action hereunder. All such awards or proceeds shall, at Mortgagee's option, be retained and applied by Mortgagee toward payment of the monies secured by this Mortgage, whether or not

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then due, in such order and in such amounts as Mortgagee may elect. If prior to Mortgagee's receipt of such award or payment the Mortgaged Property shall have been sold on foreclosure of this Mortgage, Mortgagee shall have the right to receive the award or payment to the extent of any deficiency resulting from such sale, together with legal interest thereon, and the reasonable counsel fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment. Mortgagor hereby assigns its interests in any such award or payment to Mortgagee.

16. SECURITY AGREEMENT.

(a) THIS MORTGAGE CREATES A LIEN ON THE MORTGAGED PROPERTY, AND ON THE FIXTURES, THE AWARDS AND PROCEEDS, THE CLAIMS, THE RENTS, THE DEPOSITS AND THE CONTRACT RIGHTS AND ANY PORTION OF THE MORTGAGED PROPERTY CONSTITUTING PERSONAL PROPERTY (COLLECTIVELY THE "COLLATERAL") AND TO THE EXTENT THE MORTGAGED PROPERTY IS PERSONAL PROPERTY OR FIXTURES UNDER APPLICABLE LAW, THIS MORTGAGE CONSTITUTES A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE OF THE STATE WHERE THE MORTGAGED PROPERTY IS LOCATED (THE "UCC") AND ANY OTHER APPLICABLE LAW AND IS FILED AS A FIXTURE FILING. UPON THE OCCURRENCE OF A DEFAULT, MORTGAGEE, OR TRUSTEE AS APPLICABLE, MAY, AT ITS OPTION, PURSUE ANY AND ALL RIGHTS AND REMEDIES AVAILABLE TO A SECURED PARTY WITH RESPECT TO ANY PORTION OF THE MORTGAGED PROPERTY, AND/OR MORTGAGEE, OR TRUSTEE AS APPLICABLE, MAY, AT ITS OPTION, PROCEED AS TO ALL OR ANY PART OF THE MORTGAGED PROPERTY IN ACCORDANCE WITH MORTGAGEE'S OR TRUSTEE'S RIGHTS AND REMEDIES WITH RESPECT TO THE LIEN CREATED BY THIS MORTGAGE.

(b) The grant of a security interest to Mortgagee, or Trustee as applicable, in the granting clause of this Mortgage shall not be construed to derogate from or impair the lien or provisions of or the rights of Mortgagee, or Trustee as applicable, under this Mortgage with respect to any property described therein which is real property or which the parties have agreed to treat as real property. The hereby stated intention of Mortgagor and Mortgagee is that everything used in connection with the production of income from such real property or adapted for use thereon is, and at all times and for all purposes and in all proceedings, both legal and equitable, shall be regarded as real property, irrespective of whether or not the same is physically attached to the Land and/or the Improvements.

(c) If required by Mortgagee, at any time during the term of this Mortgage, Mortgagor will execute and deliver to Mortgagee, in form satisfactory to Mortgagee, additional security agreements, financing statements and/or other instruments covering all personal property or fixtures of Mortgagor that may at any time be furnished, placed on, or annexed or made appurtenant to the Property or used, useful or held for use, in the operation of the Improvements.

(d) Mortgagor hereby irrevocably constitutes and appoints Mortgagee as its attorney-in-fact and such appointment is coupled with an interest, to execute, deliver and file with the appropriate filing officer or office such security agreements, financing statements and/or other

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instruments as Mortgagee may request or require in order to impose and perfect the lien and security interest created hereby more specifically on the Collateral.

(e) If Mortgagor enters into a separate security agreement with Mortgagee relating to any of the Collateral, the terms of such security agreement shall govern the rights and remedies of Mortgagee after a Default thereunder.

(f) It is understood and agreed that, in order to protect Mortgagee from the effect of UCC Section 9-324, as amended from time to time, if Mortgagor intends to purchase any goods that may become fixtures attached to the Mortgaged Property, or any part thereof, and such goods will be subject to a purchase money security interest held by a seller or any other party:

(i) Mortgagor shall, before executing any security agreement or other document evidencing or perfecting such security interest, obtain the prior written approval of Mortgagee, and all requests for such written approval shall be in writing and contain the following information: (A) a description of the fixtures to be replaced, added to, installed or substituted; (B) the address at which the fixtures will be replaced, added to, installed or substituted; and (C) the name and address of the proposed Beneficiary and proposed amount of the security interest.

Mortgagor's execution of any such security agreement or other document evidencing or perfecting such security interest without Mortgagee's prior written approval shall constitute a Default. No consent by Mortgagee pursuant to this subsection shall be deemed to constitute an agreement to subordinate any right of Mortgagee in the Collateral or other property covered by this Mortgage.

(ii) If at any time Mortgagor fails to make any payment on an obligation secured by a purchase money security interest in the Collateral, Mortgagee, at its option, may at any time pay the amount secured by such security interest. Any money paid by Mortgagee under this Section 16(f), including any expenses, costs, charges and attorneys' fees incurred by Mortgagee, shall be reimbursed to Mortgagee in accordance with Section 18 hereof. Mortgagee shall be subrogated to the rights of the Beneficiary of any such purchase money security interest in the Collateral.

(iii) Mortgagee shall have the right to acquire by assignment from the Beneficiary of such security interest any and all contract rights, accounts receivable, negotiable or non-negotiable instruments, or other evidence of Mortgagor's indebtedness for such Collateral, and, upon acquiring such interest by assignment, shall have the right to enforce the security interest as assignee thereof, in accordance with the terms and provisions of the UCC and in accordance with any other provisions of law.

(iv) Whether or not Mortgagee has paid the indebtedness secured by, or taken an assignment of, such security interest, Mortgagor covenants to pay all sums and perform all obligations secured thereby, and if Mortgagor at any time shall be in default under such security agreement, it shall constitute a Default.

(v) The provisions of subsections (i) and (ii) of this Section 16(f) shall not apply if the goods which may become fixtures are of at least equivalent value and quality as any property being replaced and if the rights of the party holding such security interest have been

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expressly subordinated, at no cost to Mortgagee, to the lien and security interest of this Mortgage in a manner satisfactory to Mortgagee, including without limitation, at the option of Mortgagee, providing to Mortgagee a satisfactory opinion of counsel to the effect that this Mortgage constitutes a valid and subsisting first lien on such fixtures which is not subordinated to the lien of such security interest under any applicable law, including without limitation, the provisions of Section 9-324 of the UCC.

(g) Mortgagor hereby warrants, represents and covenants as follows:

(i) Mortgagor is the sole owner of the Collateral free from any lien, security interest, encumbrance or adverse claim thereon of any kind whatsoever. Mortgagor will notify Mortgagee of and will protect, defend and indemnify Mortgagee against, all claims and demands of all persons at any time claiming any rights or interest therein.

(ii) The Collateral is not used or bought and shall not be used or bought for personal, family, or household purposes, but shall be bought and used solely for the purpose of carrying on Mortgagor's business.

(iii) The Collateral has been located on the Property for at least fifteen (15) days and will be kept on or at the Property and Mortgagor will not, except to the extent permitted in accordance with Section 6.01(k) of the Loan Agreement, remove the Collateral therefrom without the prior written consent of Mortgagee, except (A) such portions or items of the Collateral that are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor with other Collateral of value equal to or greater than the value of the replaced Collateral when new, (B) such portions or items of the Collateral temporarily stored elsewhere to facilitate refurbishing or repair thereof or of the Improvements, and (C) such portions or items of the Collateral which may be disposed of without the consent of Mortgagee pursuant to the Loan Agreement.

(iv) Mortgagor will immediately notify Mortgagee in writing of any change in its principal place of business as set forth in the beginning of this Mortgage.

17. FEES AND EXPENSES. If Mortgagee incurs any costs and expenses (including attorneys' fees) in connection with any action or proceeding to sustain the lien of this Mortgage or its priority or to enforce any of Mortgagee's rights hereunder or to recover any indebtedness secured hereby, or for any title examination or title insurance policy relating to title to the Mortgaged Property required by Mortgagee, or in curing any default of Mortgagor under any Lease, all such sums shall be paid by Mortgagor on demand, together with interest thereon at the Post-Default Rate from the date of payment by Mortgagee. To the maximum extent permitted by law, such sums shall be secured by this Mortgage and shall be a lien on the Mortgaged Property prior to any right, title or interest claimed upon the Mortgaged Property subordinate to the lien of this Mortgage.

18. RIGHT TO CURE. If Mortgagor defaults in any of the covenants or conditions as provided for in the Loan Document, Mortgagee may, at its option, upon Mortgagor's failure, without notice to Mortgagor, perform or cause to be performed (by making advances or otherwise) any such covenant or condition, any amounts paid as a result thereof, together with interest at the Post-Default Rate from date of payment until paid, shall be immediately due and

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payable by Mortgagor to Mortgagee, and until paid shall be added to and become part of the Obligations, shall be secured by this Mortgage, and shall be a lien on the Mortgaged Property prior to any right, title or interest claimed in the Mortgaged Property subordinate to the lien of this Mortgage. Such payments by Mortgagee shall not be deemed to relieve Mortgagor from, or to be a cure of, any Default hereunder. The exercise by Mortgagee of the right to make such payments shall be optional with Mortgagee, and Mortgagee shall not in any case be liable to Mortgagor for a failure to exercise any such right.

19. **DEFAULT.** Any of the following occurrences or acts will constitute an event of default (herein "Default") under this Mortgage: (a) an Event of Default under the Loan Agreement or in any other Loan Document; (b) if it shall be illegal for Mortgagor to pay any tax referred to in Section 1 hereof or Section 8 hereof or Section 9 hereof or if the payment of such tax by Mortgagor would result in the violation of applicable usury laws; or (c) failure by Mortgagor to comply with any term, covenant or provision of this Mortgage, provided, however, that it shall only be deemed a Default with respect to Mortgagor's failure to comply with the covenants and agreements contained in Sections 7, 9, 12 and/or 13 herein, if such failure shall continue for five (5) days.

20. REMEDIES.

20.1 Acceleration. If a Default shall be continuing, Mortgagee may, at its option, without notice to Mortgagor other than that required by this Mortgage or in any other Loan Document, declare the Obligations immediately due and payable.

20.2 Mortgagee's Right to Enter and Take Possession, Operate and Apply Revenues. If a Default shall be continuing, Mortgagor, upon demand of Mortgagee, shall forthwith surrender to Mortgagee, or Trustee as applicable, the actual possession, and if and to the extent permitted by law, Mortgagee itself, or by such officers or agents as it may appoint, may enter and take possession, of all or any part of the Mortgaged Property, and may exclude Mortgagor and its agents and employees wholly therefrom, and may have joint access with Mortgagor to the books, papers and accounts of Mortgagor.

If Mortgagor shall, for any reason, fail to surrender or deliver any such Mortgaged Property or any part thereof after such demand by Mortgagee, Mortgagee, or Trustee as applicable, may obtain a judgment or decree conferring on Mortgagee, or Trustee as applicable, the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of such Mortgaged Property to Mortgagee, or Trustee as applicable, to the entry of which judgment or decree Mortgagor hereby specifically consents. Mortgagor will pay to Mortgagee, upon demand, all expenses of obtaining such judgment or decree and reasonable compensation to Mortgagee, its attorneys and agents; and all such expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

Upon every such entering upon or taking of possession, Mortgagee may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, and from time to time (a) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property; (b) insure or keep the Mortgaged Property insured; (c) lease, manage and operate the Mortgaged Property and exercise all the rights and

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powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; (d) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may determine to be its best advantage. Mortgagee may collect and receive all the Rents, of the same, including those past due as well as those accruing thereafter, and, after deducting (i) all expenses of taking, holding, managing and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (ii) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions; (iii) the cost of such insurance as Mortgagee may determine to pay; (iv) such taxes, assessments, and other similar charges as Mortgagee may determine to pay; (v) other proper charges upon the Mortgaged Property or any part thereof; and (vi) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder of the monies and proceeds so received by Mortgagee to the Obligations in such order and in such amounts as determined by Mortgagee.

Mortgagee shall have no liability for any loss, damage, injury, cost or expense resulting from any action or omission by it or its representatives which was taken or omitted in good faith.

20.3 Completion of Construction. If any Improvements are under construction or not completed, Mortgagee shall have the right, upon the happening of any such Default, to enter into possession of the Property and perform any and all work and labor necessary to complete the Improvements substantially in accordance with the plans and specifications therefor and employ watchmen to protect the Property and the Improvements; all sums expended by Mortgagee for such purposes shall be deemed to have been paid to Mortgagor and secured by this Mortgage. For this purpose, Mortgagor hereby constitutes and appoints Mortgagee its true and lawful attorney-in-fact with full power of substitution to complete the Improvements in the name of Mortgagor, and hereby empowers said attorney or attorneys as follows: to use any funds of Mortgagor including any balance that may be held in escrow and any funds that may remain unadvanced hereunder for the purpose of completing the Improvements in the manner called for by the plans and specifications; to make such additions and changes and corrections in the plans and specifications as shall be necessary or desirable to complete the Improvements as Mortgagee deems necessary in its sole judgment and in substantially the manner contemplated by the plans and specifications; to employ such contractors, subcontractors, agents, architects and inspectors as shall be required for said purposes; to enforce or otherwise without limitation deal with any bonding or insurance company under any policy required hereunder as Mortgagor might do in its own behalf; to pay, settle or compromise all existing bills and claims that are or may be liens against the Property, or which may be necessary or desirable for the timely completion of the Improvements or the removal of liens and encumbrances; to execute all applications and certificates in the name of Mortgagor that may be required by any construction contract respecting the Improvements; to do any and every act with respect to the construction of the Improvements that Mortgagor may do in its own behalf; and to prosecute and defend all actions or proceedings in connection with the Improvements on the Property and to take such action and require such performance as Mortgagee deems necessary. This power of attorney shall be deemed to be a power coupled with an interest which cannot be revoked. Said attorney-in-fact shall also have power to prosecute and defend all actions or proceedings in connection with the construction of the Improvements on the Property and to take such action and require such performance as is deemed necessary.

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Mortgagee shall not be liable for any loss sustained by Mortgagor resulting from Mortgagee's failure to enforce the power of attorney granted herein or from any other act or omission of Mortgagee in managing the Property. Mortgagee shall not be obligated to perform or discharge nor does Mortgagee hereby undertake to perform or discharge any obligation, duty or liability with respect to the construction or completion of the Improvements and Mortgagor shall indemnify Mortgagee for, and hold Mortgagee harmless from, any and all liability, loss or damage that may or might be incurred in the exercise or failure to exercise any of the rights granted to Mortgagee under this Section or by reason of the assignment to Mortgagee of the construction contract, architectural agreements, plans and specifications and other contract rights with respect to the Property. Should Mortgagee incur any such liability or in defense of any claims or demands relating thereto, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby and Mortgagor shall reimburse Mortgagee therefor immediately upon demand. It is further understood that this Section shall not operate to place responsibility upon Mortgagee for the control, care, management or repair of the Property or for the carrying out the construction of the Improvements; nor shall it operate to make Mortgagee responsible or liable for any waste committed on the Property by the contractor or any other parties, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any contractor, subcontractor, licensee, invitee, employee, agent or stranger.

20.4 Receiver. If a Default shall be continuing, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled without notice or hearing and without regard to the occupancy or value of any security for the indebtedness or the insolvency of any party bound for its payment to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the Rents thereof. The receiver shall have all of the rights and powers to the fullest extent permitted by law. Mortgagor shall pay to Mortgagee upon demand all expenses, including receiver's fees, costs and agent's compensation, incurred pursuant to the provisions of this Section; and all such expenses shall be secured by this Mortgage.

20.5 Mortgagee's Power of Enforcement. If a Default shall have occurred and be continuing Mortgagee, or Trustee as applicable, may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy (a) to enforce payment of the Obligations or the performance of any term of the Loan Agreement, this Mortgage or any other Loan Document, (b) to institute proceedings for the complete or partial foreclosure of this Mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property, under the judgment or decree of a court or courts of competent jurisdiction, (c) to bid for and purchase the Mortgaged Property and, upon compliance with the terms of sale, may hold, retain and possess and dispose of the Mortgaged Property in its own absolute right without further accountability, (d) to collect the Rents payable under all Leases of the Mortgaged Property directly from the tenants thereunder upon notice to each such tenant that a Default exists hereunder accompanied by a demand on such tenant for the payment to Mortgagee of all Rents due and to become due under its Lease, and Mortgagor FOR THE BENEFIT OF MORTGAGEE AND EACH SUCH TENANT hereby covenants and agrees that the tenant shall be under no duty to question the accuracy of Mortgagee's statement of Default and shall unequivocally be authorized to pay such Rents to Mortgagee without regard to the truth of Mortgagee's statement of Default and notwithstanding notices from Mortgagor disputing the existence of a Default such that the

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payment of Rent by tenant to Mortgagee pursuant to such a demand shall constitute performance in full of the tenant's obligation under the Lease for the payment of Rents by the tenant to Mortgagor, and (e) to pursue any other right or remedy available to it, all as the Mortgagee shall deem most effectual for such purposes. Mortgagee shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as Mortgagee may determine.

20.6 Leases. Mortgagee, or Trustee as applicable, at Mortgagee's option, is authorized to foreclose this Mortgage, subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants parties defendant to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Mortgagor, a defense to any proceedings instituted by the Mortgagee to collect the sums secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

20.7 Delay or Omission no Waiver. No delay or omission of Mortgagee or of any Beneficiary of the Obligations to exercise any right, power or remedy accruing upon any Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee.

20.8 No Waiver of One Default to Affect Another. No waiver of any Default shall be effective unless made in writing by Mortgagee. No waiver of any Default hereunder shall extend to or shall affect any subsequent or any other then existing Default or shall impair any rights, powers or remedies consequent thereon.

20.9 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

20.10 Subrogation. Mortgagee hereby is subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the indebtedness secured by this Mortgage.

21. **FURTHER ASSURANCES**. Mortgagor will, at its own expense, within 15 days after request by Mortgagee, do, execute, acknowledge and deliver all further acts, deeds, conveyances, transfers, security interests, security agreements, financing statements, renewals, certificates, affidavits, continuation statements and other documents and assurances necessary or proper to effectuate, complete, or perfect, or to continue and preserve, or to preserve and protect, the obligations of Mortgagor under the Loan Documents and the lien and security interest provided for by this Mortgage in the Mortgaged Property or any part thereof, or to preserve and protect the Mortgaged Property.

Upon any failure by Mortgagor to do so, Mortgagee may make, execute, record, file, re-record and/or re-file any and all such acts, deeds, conveyances, transfers, security interests, security agreements, financing statements, renewals, certificates, affidavits, continuation

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statements and other documents and assurances for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor to do so.

22. CERTIFICATES. Mortgagor, upon request of Mortgagee, shall certify, by a writing duly acknowledged to Mortgagee or to any proposed assignee of the Loan Agreement, this Mortgage or any other Loan Documents, the amount of the principal sum and interest and other indebtedness then owing on Obligations, and whether any offsets or defenses exist against the indebtedness secured hereby.

23. LEASES AFFECTING MORTGAGED PROPERTY. (a) Mortgagor will not execute any lease for the use or occupancy of all or any part of the Mortgaged Property without the prior written consent of Mortgagee.

(b) Notwithstanding anything in the foregoing to the contrary, Mortgagor hereby absolutely, presently and unconditionally assigns and transfers to Mortgagee all the Rents, whether now due, past due or to become due, and hereby gives to and confers upon Mortgagee the right, power and authority to collect such Rents. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney at the option of Mortgagee at any time to demand, receive, and enforce payment, to give receipts, releases, and satisfactions and to sue, either in the name of Mortgagor or in the name of Mortgagee, for all such Rents and apply the same to the indebtedness secured hereby. It is understood and agreed that neither the foregoing assignment of Rents to Mortgagee nor the exercise by Mortgagee of any of its rights or remedies under this Section 23(b) or under Section 20 hereof shall be deemed to make Mortgagee a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Mortgaged Property or the use, occupancy, enjoyment or operation of all or any portion thereof, unless and until Mortgagee, in person or by agent, assumes actual possession thereof, nor shall appointment of a receiver for the Mortgaged Property by any court at the request of Mortgagee or by agreement with Mortgagor or the entering into possession of the Mortgaged Property or any part thereof by such receiver be deemed to make Mortgagee a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Mortgaged Property or the use, occupancy, enjoyment or operation of all or any portion thereof.

24. NOTICES. Any provision in this Mortgage requiring or permitting notice or demand or request shall be deemed satisfied by notice or demand or request in writing and be mailed, telecopied or delivered by Federal Express or other reputable overnight courier:

if to Mortgagor, to the following address: Lucky Spin Laundries, LLC
6500 Flotilla Street
Los Angeles, California 90040
Telephone: (323) 721-8832
Telecopier: (323) 721-3895
Attention: Mr. Eric Steinberg

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with a copy to:

Richman, Mann, Chizever, Phillips & Duboff
9601 Wilshire Boulevard, Penthouse Suite
Beverly Hills, California 90210
Telephone: (310) 274-8300
Telecopier: (310) 274-2831
Attention: Allan B. Duboff, Esq.

if to Mortgagee, to the following address: Fortress Credit Opportunities I L.P

1251 Avenue of the Americas
New York, New York 10020
Attention: Mr. Kevin Treacey
Telephone: (212) 798-6071
Telecopier: (212) 202-3685

with a copy to:

Otterbourg, Steindler, Houston & Rosen, P.C.
230 Park Avenue
New York, New York 10169
Attention: David W. Morse, Esq.
Telephone: (212) 661-9100
Telecopier: (212) 682-6104

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties complying as to delivery with the terms of this Section 24. All such notices and other communications shall be effective, (i) if mailed, when received or three (3) days after deposited in the mails, whichever occurs first, (ii) if telecopied, when transmitted and confirmation received, or (iii) if delivered by overnight courier or by hand delivery upon delivery

25. EXTENSIONS, RELEASES, MODIFICATIONS, RENEWALS, ETC. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein or secured hereby, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of the Loan Agreement, and without notice or consent:

(a) Release any person liable for payment of all or any part of the Obligations or for performance of any Obligation.

(b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the Obligations, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof.

(c) Exercise or refrain from exercising or waive any right Mortgagee may have.

(d) Accept additional security of any kind.

(e) Release or otherwise deal with any property, real or personal, securing the Obligations, including all or any part of the property mortgaged hereby.

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26. FUTURE ADVANCES AND VARIABLE RATE; USURY..

(a) The consideration for this Mortgage is the present and future advancement of funds by Mortgagee to Mortgagor in accordance with the Loan Agreement and the other Loan Documents. This Mortgage shall secure payment of all such future advances and all provisions of this Mortgage shall apply to each future advance as well as to all other indebtedness secured hereby; provided, however, that the maximum unpaid loan indebtedness secured hereby, exclusive of interest thereon, shall not exceed \$37,000,000.

(b) Mortgagor acknowledges that the Loan Agreement provides that (i) each Term A Loan shall bear interest on the principal amount thereof from time to time outstanding at a rate per annum equal to the Reference Rate plus six and one-half (6½%) percent; (ii) each Term B Loan shall bear interest on the principal amount thereof from time to time outstanding at a rate per annum equal to the Reference Rate plus two and one-half (2½%) percent; and (iii) each Term C Loan shall bear interest on the principal amount thereof from time to time outstanding, at a rate per annum equal to the Reference Rate plus eight (8%) percent; provided, that, so long as no Event of Default (as defined in the Loan Agreement) shall exist or have occurred and be continuing, unless Mortgagor shall elect to make any payment of such interest in cash or other immediately available funds or be required to pay such interest in cash or other immediately available funds as set forth in Section 3.02(a) of the Loan Agreement, such interest shall be capitalized so as to constitute an additional amount of principal of the Term C Loans deemed made monthly in arrears on the first day of each month. Interest shall accrue on the principal amount of the Term C Loans arising pursuant to such capitalization of interest at the rates provided for in Section 2.03(c) of the Loan Agreement (or Section 2.03(e) of the Loan Agreement, if applicable) in the same manner as the principal on all other Term C Loans from the date such principal amount arises. On and after an Event of Default and for so long as the same is continuing, all such interest shall be payable in cash or other immediately available funds. Interest shall be payable by Mortgagor to Mortgagee, for the account of Lenders, monthly in arrears not later than the first day of each calendar month and shall be calculated on the basis of a three hundred sixty (360) day year and actual days elapsed. In no event shall charges constituting interest payable by Mortgagor to Mortgagee and Lenders exceed the Highest Lawful Rate, and if any such part or provision of the Loan Agreement is in contravention of any such law or regulation, such part or provision shall be deemed amended to conform thereto. At any time an Event of Default shall exist or have occurred and be continuing, at the election of Mortgagee or the Required Lenders, notwithstanding anything to the contrary set forth in Section 2.03 of the Loan Agreement, the principal of, and all accrued and unpaid interest on, all Loans, fees, indemnities, or any other outstanding Obligations of the Mortgagor under the Loan Agreement and the other Loan Documents, shall bear interest, from the date such Event of Default occurred until the date such Event of Default is cured or waived in writing in accordance with the Loan Agreement, at a rate per annum equal at all times to the Post-Default Rate. Interest at the Post-Default Rate shall be payable on demand. The Loan Agreement defines the Reference Rate as the greater of (a) the rate from time to time publicly announced by LaSalle Bank National Association, its successors or any other commercial bank designated by the Mortgagee to the Mortgagor from time to time, as its prime rate, whether or not such announced rate is the best rate available at such bank or (b) four (4%) percent. The reference rate, base rate or prime rate is determined from time to time by the Reference Bank as a means of pricing some loans to

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its borrowers and neither is tied to any external rate of interest or index nor necessarily reflects the lowest rate of interest actually charged by the Reference Bank to any particular class or category of customers. Each change in the Reference Rate shall be effective from and including the date such change is publicly announced as being effective.

(c) It is the intention of the parties hereto that Mortgagee and each Lender shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby or by any other Loan Document would be usurious as to Mortgagee or any Lender under laws applicable to it (including the laws of the United States of America and the State of New York or any other jurisdiction whose laws may be mandatorily applicable to Mortgagee or such Lender notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in this Mortgage or any other Loan Document or any agreement entered into in connection with or as security for the Obligations, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under law applicable to Mortgagee or any Lender that is contracted for, taken, reserved, charged or received by Mortgagee or such Lender under this Mortgage or any other Loan Document or agreements or otherwise in connection with the Obligations shall under no circumstances exceed the Highest Lawful Rate, any excess shall be canceled automatically and if theretofore paid shall be credited by Mortgagee or such Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be Paid In Full, refunded by Mortgagee or such Lender, as applicable to Mortgagor); and (ii) in the event that the maturity of the Obligations is accelerated by reason of any Event of Default under the Loan Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to Mortgagee or any Lender may never include more than the Highest Lawful Rate, and excess interest, if any, provided for in this Mortgage or otherwise shall be canceled automatically by Mortgagee or such Lender, as applicable, as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by Mortgagee or such Lender, as applicable, on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be Paid In Full, refunded by Mortgagee or such Lender to Mortgagor).

All sums paid or agreed to be paid to Mortgagee or any Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to Mortgagee or such Lender, be amortized, prorated, allocated and spread throughout the full term of the Loans until payment in full so that the rate or amount of interest on account of any Loans hereunder does not exceed the Highest Lawful Rate. If at an time and from time to time (i) the amount of interest payable to Mortgagee or any Lender on any date shall be computed at the Highest Lawful Rate applicable to Mortgagee or such Lender pursuant to this Section 26(c) and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to Mortgagee or such Lender would be less than the amount of interest payable to Mortgagee or such Lender computed at the Highest Lawful Rate applicable to Mortgagee or such Lender, then the amount of interest payable to Mortgagee or such Lender in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to Mortgagee or such Lender until the total amount of interest payable to Mortgagee or such Lender shall equal the total amount of interest which would have been payable to Mortgagee or such Lender if the total amount of interest had been computed without giving effect to this Section 26(c).

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For purposes of this Section 26(c), the term "applicable law" means that law in effect from time to time and applicable to the loan transaction between the Mortgagor, on the one hand, and Mortgagee and the Lenders, on the other, that lawfully permits the charging and collection of the highest permissible, lawful non-usurious rate of interest on such loan transaction and this Mortgage, including laws of the State of New York and, to the extent controlling, laws of the United States of America.

27. **WAIVER OF RIGHTS.** Mortgagor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction, nor, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof and Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Mortgagor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure hereof. Mortgagee may resort to any security given by this Mortgage or to any other security now existing or hereafter given to secure the payment of the Obligations, in whole or in part, and in such portions and in such order as may seem best to Mortgagee in its sole and uncontrolled discretion, and any such action shall not in anywise be considered as a waiver of any of the rights, benefits, liens or security interests evidenced by this Mortgage.

28. **TIME IS OF THE ESSENCE.** Time is of the essence of this Mortgage.

29. **ATTORNEYS' FEES AND EXPENSES.** Wherever provision is made herein for payment for reasonable attorney's or counsel's fees or expenses incurred by Mortgagee, such provision shall include, but not be limited to, reasonable attorney's or counsel's fees or expenses incurred in any and all judicial, bankruptcy, reorganization, administrative, or other proceedings, including appellate proceedings, whether such proceedings arise before or after entry of a final judgment.

30. **GOVERNING LAW.** This Mortgage shall be construed, interpreted, enforced and governed by and in accordance with laws of the State of New York except to the extent that the enforcement of Mortgagee's rights and remedies with respect to any Mortgaged Property is governed by the laws of the state where the Mortgaged Property is located.

31. **CAPTIONS.** The captions or headings of the provisions hereof are for convenience of reference only and shall not define or limit the terms hereof. Whenever the singular or plural member, masculine or feminine or neuter gender is used herein, it shall equally include the other.

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32. **AFTER-ACQUIRED PROPERTY.** All property of every kind acquired by Mortgagor after the date hereof which is required for the complete use and enjoyment of the Mortgaged Property and which, by the terms hereof, is required to be subjected to the lien of this Mortgage, shall immediately upon the acquisition thereof by Mortgagor, and without any further mortgage, conveyance, assignment or transfer, become subject to the lien of this Mortgage. Nevertheless, Mortgagor will do, execute, acknowledge and deliver each further act, conveyance, mortgage and assurance as Mortgagee shall reasonably require for accomplishing such purposes.

33. **SUPPLEMENTAL MORTGAGES.** Mortgagor may from time to time grant mortgages on property other than the property described herein as Mortgaged Property and such mortgages shall be supplemental to this Mortgage and may encumber additional property to secure the Obligations and may subject such additional property to the requirements, terms and conditions hereof.

34. **BINDING EFFECT.** The covenants herein contained shall bind, and the benefits shall inure to, the respective successors and assigns of the parties hereto, and the term Mortgagee shall include any payee of the Obligations or any transferee thereof whether by operation of law or otherwise.

35. **SEVERABILITY.** In the event that any provision or clause of this Mortgage, the Loan Agreement, or any other Loan Document conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage, the Loan Agreement and the other Loan Documents which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage, the Loan Agreement, and the other Loan Documents are declared to be severable.

36. **SET-OFF.** In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of a Default, Mortgagee is hereby authorized at any time or from time to time, without notice to Mortgagor or any other person, which notice Mortgagor hereby expressly waives, to set-off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time owing by Mortgagee to or for the credit or the account of Mortgagor, against and on account of the obligations and liabilities of Mortgagor to Mortgagee under this Mortgage and the Loan Documents, including, without limitation, all claims of any nature or description arising out of or connected with this Mortgage or any of the Loan Documents, irrespective of whether or not Mortgagee shall have made any demand hereunder and although such obligations, liabilities or claims, or any of them, shall be contingent or unmatured.

37. **INCORPORATION OF COVER.** The cover of this Mortgage is hereby incorporated by reference as if set forth herein.

38. **JURY WAIVER.** MORTGAGOR, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN MORTGAGEE AND MORTGAGOR ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN MORTGAGOR AND MORTGAGEE IN CONNECTION WITH THIS MORTGAGE, THE LOAN AGREEMENT, OR ANY OTHER AGREEMENT, INSTRUMENT OR DOCUMENT

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EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED THERETO.

39. **WAIVER OF COUNTERCLAIMS.** MORTGAGOR WAIVES ALL RIGHTS TO INTERPOSE ANY CLAIMS, DEDUCTIONS, SETOFFS OR COUNTERCLAIMS OF ANY NATURE (OTHER THAN COMPULSORY COUNTERCLAIMS) IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS MORTGAGE, THE OBLIGATIONS, THE MORTGAGED PROPERTY OR ANY MATTER ARISING THEREFROM OR RELATING HERETO OR THERETO.

40. DEED OF TRUST PROVISIONS

(a) **Concerning the Trustee.** Trustee shall be under no duty to take any action hereunder except as expressly required hereunder or by law or to perform any act which would involve Trustee in any expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to Trustee's reasonable satisfaction. Trustee, by acceptance of this Deed of Trust, covenants to perform and fulfill the trusts herein created. Trustee shall not be answerable or accountable hereunder except for its own willful misconduct or gross negligence, and Grantor agrees to indemnify, defend and hold Trustee harmless from and against any cost, loss, damage, liability or expense (including, without limitation, reasonable attorney's fees and disbursements) that Trustee may incur or sustain in the exercise or performance of its powers and duties hereunder. Trustee hereby waives any statutory fee and agrees to accept reasonable compensation, in lieu thereof, for any services rendered by Trustee in accordance with the terms hereof. Trustee may resign at any time upon giving at least thirty (30) days' notice to Grantor and Beneficiary. In the event of the death, removal, resignation, refusal or inability to act of Trustee, or in its sole discretion for any reason whatsoever, Beneficiary may, without notice and without specifying any reason therefor and without applying to any court, select and appoint a successor trustee, by an instrument recorded wherever this Deed of Trust is recorded, and all powers, rights, duties and authority of Trustee, as aforesaid, shall thereupon become vested in such successor. Such substitute trustee shall not be required to give bond for the faithful performance of the duties of Trustee hereunder unless required by Beneficiary. The procedure provided for in this paragraph for substitution of Trustee shall be in addition to and not in exclusion of any other provisions for substitution, by law or otherwise.

(b) **Trustee's Fees.** Grantor shall pay all reasonable costs, fees and expenses incurred by Trustee and Trustee's agents and counsel in connection with the performance by Trustee of Trustee's duties hereunder, and all such costs, fees and expenses shall be secured by this Deed of Trust.

(c) **Certain Rights.** Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Trust Property for debts contracted for or liability or damages incurred in the management or operation of the Trust Property. Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting an action taken or proposed to be taken by Trustee hereunder, which is believed by Trustee in good faith to be genuine.

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(d) Retention of Money . All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law), and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

(e) Perfection of Appointment . Should any deed, conveyance or other instrument of any nature be required from Grantor by Trustee or any substitute trustee to more fully and certainly vest in and confirm to Trustee or such substitute trustee the estates rights, powers, and duties conferred hereunder unto Trustee, then, upon request by Trustee or such substitute trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Grantor at its sole expense

(f) Succession Instruments . Any substitute trustee appointed pursuant to any of the provisions hereof shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its predecessor in the rights hereunder with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of Lender or of the substitute trustee the predecessor trustee ceasing to act shall execute and deliver any instrument transferring to such substitute trustee, upon the trusts herein expressed, all of the estates, properties, rights, powers and trusts of such predecessor trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such trustee to such substitute trustee.

(g) Conveyance by Trustee . Upon receipt by Trustee of written notice from Beneficiary that the Obligations have been fully paid pursuant to the terms hereof, the Loan Agreement and the other Loan Documents, Trustee shall reconvey the Trust Property, without warranty, to Grantor or such Person or Persons lawfully entitled thereto.

41. **INTEGRATION.** This Mortgage, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

42. **CERTAIN MATTERS RELATING TO MORTGAGED PROPERTY LOCATED IN THE STATE OF ILLINOIS.** With respect to the Mortgaged Property that is located in the State of Illinois, notwithstanding anything contained to the contrary:

(a) Without limiting the generality of Section 18 hereof, all expenses incurred by Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101) et seq., whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

(b) Mortgagor acknowledges that the Land, taken as a whole, does not include either agricultural real estate (as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101) et seq. herein called the "Act") or residential real estate (as defined in

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Section 15-1219 of the Act). Mortgagor hereby voluntarily and knowingly waives any and all rights of redemption as allowed under Section 15-1601 of the Act.

43. CERTAIN MATTERS RELATING TO TRUST PROPERTY LOCATED IN THE STATE OF MARYLAND. With respect to the Trust Property that is located in the State of Maryland, notwithstanding anything contained to the contrary:

(a) Waiver of Appraisal, Valuation, etc. Grantor agrees, to the full extent permitted by law, that, in case of a Default on the part of Grantor hereunder, neither Grantor nor anyone claiming through or under Grantor will set up, claim or seek to take advantage of any moratorium, reinstatement, forbearance, appraisal, valuation, stay, extension, homestead, exemption, insolvency or redemption laws now or hereafter in force in order to prevent or hinder the enforcement or foreclosure of the Deed of Trust or the absolute sale of the Trust Property, the delivery of possession thereof immediately after such sale to the purchaser at such sale, or the exercise of any other remedy hereunder; and Grantor, for itself and all who may to any extent that it may lawfully so do, waive the benefit of all such laws, and any and all right to have assets subject to the security interest of the Deed of Trust marshalled upon any foreclosure or sale under the power herein granted or a sale in inverse order of alienation.

(b) Limitation on Obligations Secured. The maximum principal amount of the Obligations at any time secured hereby shall be the principal sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000) at any time and from time to time outstanding, plus all interest under the Loan Documents, costs and expenses (including, reasonable attorneys' fees and expenses), other charges and fees provided to be paid in the Loan Documents and herein, advances made by Lender to protect or preserve the Trust Property, any part thereof, or the interests of Beneficiary therein or for payment of taxes, assessments, insurance premiums and other amounts as provided therein and herein. In no event shall the limitation on the principal amount of the Obligations secured hereby limit or impair the security interests and liens of Beneficiary in property of Grantor with respect to Mortgage Property located in states other than Maryland or as provided under the other Loan Documents.

44. CERTAIN MATTERS RELATING TO MORTGAGED PROPERTY LOCATED IN THE STATE OF MICHIGAN. With respect to the Mortgaged Property that is located in the State of Michigan, in addition to and notwithstanding anything contained to the contrary contained in this Mortgage, if a Default shall have occurred, Mortgagee to the extent permitted by law and without regard to the value or adequacy of the security for the Obligations secured hereby, shall be entitled as a matter of right if it so elects and without notice to Mortgagor to the appointment of a receiver to enter upon and take possession of the Mortgaged Property and to collect all Rents thereof and apply the same as the court may direct (for purposes of this Paragraph, a breach of either Sections 1, 4 or 8 by Mortgagor shall constitute waste (although the meaning of the term "waste" shall not be limited to such breach) as provided by Act 236 of the Public Acts of Michigan of 1961, as amended, and shall entitle Mortgagee to all remedies provided for therein). The expenses, including receiver's fees, reasonable attorneys' fees, costs and agent's compensation, incurred pursuant to the powers herein contained shall be secured by this Mortgage. The right to enter and take possession of and to manage and operate the Mortgaged Property and to collect all Rents thereof, whether by a receiver or otherwise, shall be

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cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such Rents actually received by Mortgagee. Notwithstanding the appointment of any receiver or other custodian, Mortgagee, shall be entitled as pledgee to the possession and control of any cash, deposits, or instruments at the time held by, or payable to deliverable under the terms of this Mortgage to, Mortgagee.

45. CERTAIN MATTERS RELATING TO TRUST PROPERTY LOCATED IN THE STATE OF MISSOURI. With respect to the Trust Property that is located in the State of Missouri, in addition to and notwithstanding anything contained to the contrary contained in this Mortgage.

(a) Nothing contained herein shall be deemed to affect any right or remedy of Beneficiary under any provision of this Deed of Trust, the other Loan Documents, or of any statute or rule of law to pay any amount required to be paid by Articles 1, 4 and 8 and to add the amount so paid to the Obligations hereby secured. The arrangements provided for in Articles 1, 4 and 8 are solely for the added protection of Beneficiary. In the event Beneficiary elects to apply any amounts paid to (it by or on behalf of Grantor pursuant to Articles 1, 4 or 8 hereof in respect of taxes or insurance premiums (but not any amounts established as reserves by Beneficiary) to the Obligations, Beneficiary shall notify Grantor of such election in a timely manner.

(b) If the Trustee shall die or become disqualified from acting in the execution of this trust, or be absent from the country or shall fail or refuse to execute the same when requested by Beneficiary to do so; or if, for any reason, Beneficiary shall prefer to appoint a substitute Trustee to act instead of the Trustee named herein, Beneficiary shall have full power to appoint, by recorded, written instrument, or other manner as provided by applicable law, a substitute Trustee, and, if necessary, several substitute Trustees in succession, who shall succeed to all the estate, rights, powers and duties of the original Trustee named herein. Such appointment may be executed by any authorized agent of Beneficiary; and if Beneficiary is a corporation and such appointment is executed in its behalf by any officer of such corporation, such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the board of directors or any superior officer of the corporation. Grantor hereby agrees, in its behalf and in behalf of its successors and assigns, that any and all statements of fact or other recitals made in any deed of conveyance given by the Trustee, with respect to the identity of Beneficiary, or with respect to the occurrence or existence of any Event of Default, or with respect to the acceleration of the maturity of any of the Obligations secured hereby, or with respect to the request to sell, the notice of sale, the giving of notice to all debtors legally entitled thereto, the time, place, terms and manner of sale, and receipt, distribution, and application of the money realized therefrom, or with respect to the due and proper appointment of a substitute Trustee, and, without being limited by the foregoing, with respect to any other act or thing having been duly done by the Beneficiary or by the Trustee hereunder, shall be taken by all courts of law and equity as prima facie evidence that the statements or recitals state facts and are without further questions to be so accepted, and Grantor hereby ratifies and confirms every act that Trustee or any substitute Trustee hereunder may lawfully do in the Property by virtue hereof.

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(c) Grantor covenants and agrees that the Obligations secured by this Deed of Trust, and the proceeds of such Obligations, are for business purposes only and that the loans and advances and other financing accommodations made under or pursuant to the Loan Agreement and the other Loan Documents are "Business Purpose Loans" within the meaning and scope of V.A.M.S. §§ 408.015(2) and 408.035.

(d) Missouri law provides that in any real estate foreclosure proceeding, a defendant against whom a personal judgment is taken or asked may, within the time period provided by statute after the sale of the Trust Property, apply to the Court for an order of appraisal. The statutory appraisal value as approved by the Court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. THE UNDERSIGNED GRANTOR HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE OBLIGATIONS REGARDLESS OF ANY APPRAISED VALUE OF THE TRUST PROPERTY.

(e) Payment of all Obligations is due, if not sooner paid in accordance with the terms of the Loan Agreement, and shall be paid on October __, 2006

(f) UNLESS YOU PROVIDE EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY YOUR AGREEMENT WITH US, WE MAY PURCHASE INSURANCE AT YOUR EXPENSE TO PROTECT OUR INTERESTS IN YOUR COLLATERAL. THIS INSURANCE MAY, BUT NEED NOT, PROTECT YOUR INTERESTS. THE COVERAGE THAT WE PURCHASE MAY NOT PAY ANY CLAIM THAT YOU MAKE OR ANY CLAIM THAT IS MADE AGAINST YOU IN CONNECTION WITH THE COLLATERAL. YOU MAY LATER CANCEL ANY INSURANCE PURCHASED BY US, BUT ONLY AFTER PROVIDING EVIDENCE THAT YOU HAVE OBTAINED INSURANCE AS REQUIRED BY OUR AGREEMENT. IF WE PURCHASE INSURANCE FOR THE COLLATERAL, YOU WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING THE INSURANCE PREMIUM, INTEREST AND ANY OTHER CHARGES WE MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO YOUR TOTAL OUTSTANDING BALANCE OR OBLIGATION. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE YOU MAY BE ABLE TO OBTAIN ON YOUR OWN.

(g) ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU (GRANTOR) AND US (BENEFICIARY) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

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(h) Trustee hereby lets the Trust Property to Grantor until a sale is held under the foregoing provisions therefor, or until a Default shall occur, upon the following terms and conditions: Grantor and all persons claiming or possessing any of the Trust Property by, through, or under Grantor shall pay rent therefor during the term hereof at the rate of one cent per month, payable monthly upon demand, and shall surrender immediate peaceable possession of the Trust Property (and any and every part thereof) sold under the provisions of this Deed of Trust to the purchaser thereof under such sale, without notice or demand therefor, and shall and will at once, without notice, surrender up possession of the Trust Property and every part thereof in the event Beneficiary shall take charge and enter as hereinbefore provided.

46. CERTAIN MATTERS RELATING TO TRUST PROPERTY LOCATED IN THE STATE OF TEXAS. With respect to the Trust Property that is located in the State of Texas, in addition to and notwithstanding anything contained to the contrary contained in this Mortgage:

(a) Foreclosure. Upon the occurrence of a default, Trustee, or his successor or substitute, is authorized and empowered and it shall be his special duty at the request of Beneficiary to sell the Trust Property or any part thereof situated in the State of Texas, at the courthouse of any county (whether or not the counties in which the Trust Property is located are contiguous, if the Trust Property is located in more than one county) in the State of Texas in which any part of the Trust Property is situated, at public venue to the highest bidder for cash between the hours of ten o'clock a.m. and four o'clock p.m. on the first Tuesday in any month or at such other place, time and date as provided by the statutes of the State of Texas then in force governing sales of real estate under powers of sale conferred by deed of trust, after having given notice of such sale in accordance with such statutes. Any sale made by Trustee hereunder may be as an entirety or in such parcels as Beneficiary may request. To the extent permitted by applicable law, any sale may be adjourned by announcement at the time and place appointed for such sale without further notice except as may be required by law. The sale by Trustee of less than the whole of the Trust Property shall not exhaust the power of sale herein granted, and Trustee is specifically empowered to make successive sale or sales under such power until the whole of the Trust Property shall be sold; and, if the proceeds of such sale of less than the whole of the Property shall be less than the aggregate of the Obligations and the expense of executing this trust as provided herein, this Deed of Trust and the lien hereof shall remain in full force and effect as to the unsold portion of the Trust Property just as though no sale had been made; provided, however, that Grantor shall never have any right to require the sale of less than the whole of the Property but Beneficiary shall have the right, at its sole election, to request Trustee to sell less than the whole of the Property. Trustee may, after any request or direction by Beneficiary, sell not only the Property but also the Trust Property and other interests that are a part of the Trust Property, or any part thereof, as a unit and as a part of a single sale, or may sell any part of the Trust Property separately from the remainder of the Trust Property. It shall not be necessary for Trustee to have taken possession of any part of the Trust Property or to have present or to exhibit at any sale any of the Trust Property. After each sale, Trustee shall make to the purchaser or purchasers at such sale good and sufficient conveyances in the name of Grantor, conveying the property so sold to the purchaser or purchasers with general warranty of title of Grantor, subject to the Permitted Exceptions (and to such leases and other matters, if any, as Trustee may elect upon request of Beneficiary), and shall receive the proceeds of said sale or sales and apply the same as herein provided. Payment of the purchase price to the Trustee shall

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satisfy the obligation of purchaser at such sale therefor, and such purchaser shall not be responsible for the application thereof. The power of sale granted herein shall not be exhausted by any sale held hereunder by Trustee or his substitute or successor, and such power of sale may be exercised from time to time and as many times as Beneficiary may deem necessary until all of the Trust Property has been duly sold and all Obligations have been fully paid. In the event any sale hereunder is not completed or is defective in the opinion of Beneficiary, such sale shall not exhaust the power of sale hereunder and Beneficiary shall have the right to cause a subsequent sale or sales to be made hereunder. Any and all statements of fact or other recitals made in any deed or deeds or other conveyances given by Trustee or any successor or substitute appointed hereunder as to nonpayment of the Obligations or as to the occurrence of any default, or as to Beneficiary's having declared all of said indebtedness to be due and payable, or as to the request to sell, or as to notice of time, place and terms of sale and the properties to be sold having been duly given, or as to the refusal, failure or inability to act of Trustee or any substitute or successor trustee, or as to the appointment of any substitute or successor trustee, or as to any other act or thing having been duly done by Beneficiary or by such Trustee, substitute or successor, shall be taken as prima facie evidence of the truth of the facts so stated and recited. The Trustee or his successor or substitute may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Trustee, including the posting of notices and the conduct of sale, but in the name and on behalf of Trustee, his successor or substitute. If Trustee or his successor or substitute shall have given notice of sale hereunder, any successor or substitute Trustee thereafter appointed may complete the sale and the conveyance of the Trust Property pursuant thereto as if such notice had been given by the successor or substitute Trustee conducting the sale.

(b) Uniform Commercial Code. Without limitation of Beneficiary's rights of enforcement with respect to the Trust Property or any part thereof in accordance with the procedures for foreclosure of real estate, Beneficiary may exercise its rights of enforcement with respect to the Trust Property or any part thereof under the UCC, as in effect from time to time (or under the Uniform Commercial Code in force, from time to time, in any other state to the extent the same is applicable law) and in conjunction with, in addition to or in substitution for those rights and remedies: (1) Beneficiary may enter upon Grantor's premises to take possession of, assemble and collect the Collateral or, to the extent and for those items of the Collateral permitted under applicable law, to render it unusable; (2) Beneficiary may require Grantor to assemble the Collateral and make it available at a place Beneficiary designates which is mutually convenient to allow Beneficiary to take possession or dispose of the Collateral; (3) written notice mailed to Grantor as provided herein at least five (5) days prior to the date of public sale of the Collateral or prior to the date after which private sale of the Collateral will be made shall constitute reasonable notice; provided that, if Beneficiary fails to comply with this clause (3) in any respect, its liability for such failure shall be limited to the liability (if any) imposed on it as a matter of law under the UCC, as in effect from time to time (or under the Uniform Commercial Code, in force from time to time, in any other state to the extent the same is applicable law); (4) any sale made pursuant to the provisions of this paragraph shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with and upon the same notice as required for the sale of the Trust Property under power of sale as provided in paragraph (a) above in this Section 46; (5) in the event of a foreclosure sale, whether made by Trustee under the terms hereof, or under judgment of a court, the Collateral and the other Trust Property may, at the option of Beneficiary, be sold as a whole; (6) it shall not be necessary that

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Beneficiary take possession of the Collateral or any part thereof prior to the time that any sale pursuant to the provisions of this Section is conducted and it shall not be necessary that the Collateral or any part thereof be present at the location of such sale; (7) with respect to application of proceeds from disposition of the Collateral under Section 20.2 hereof, the costs and expenses incident to disposition shall include the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorneys' fees and legal expenses (including, without limitation, the allocated costs for in-house legal services) incurred by Beneficiary; (8) any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of the Secured Indebtedness or as to the occurrence of any default, or as to Beneficiary having declared all of such indebtedness to be due and payable, or as to notice of time, place and terms of sale and of the properties to be sold having been duly given, or as to any other act or thing having been duly done by Beneficiary, shall be taken as prima facie evidence of the truth of the facts so stated and recited; (9) Beneficiary may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Beneficiary, including the sending of notices and the conduct of the sale, but in the name and on behalf of Beneficiary; (10) Beneficiary may comply with any applicable state or federal law or regulatory requirements in connection with a disposition of the Collateral, and such compliance will not be considered to affect adversely the commercial reasonableness of any sale of the Collateral; (11) Beneficiary may sell the Collateral without giving any warranties as to the Collateral, and specifically disclaim all warranties including, without limitation, warranties relating to title, possession, quiet enjoyment and the like, and all warranties of quality, merchantability and fitness for a specific purpose, and this procedure will not be considered to affect adversely the commercial reasonableness of any sale of the Collateral; (12) Grantor acknowledges that a private sale of the Collateral may result in less proceeds than a public sale; and (13) Grantor acknowledges that the Collateral may be sold at a loss to Grantor, and that, in such event, Beneficiary shall have no liability or responsibility to Grantor for such loss.

(c) Proceeds of Foreclosure. Supplementing the provisions of Section 20.2 of this Deed of Trust, the proceeds of any sale held by Trustee or Beneficiary or any receiver or public officer in foreclosure of the liens and security interests evidenced hereby shall be applied in accordance with the requirements of applicable laws and to the extent consistent therewith, FIRST, to the payment of all necessary costs and expenses incident to such foreclosure sale, including but not limited to all attorneys' fees and legal expenses, advertising costs, auctioneer's fees, costs of title rundowns and lien searches, inspection fees, appraisal costs, fees for professional services, environmental assessment and remediation fees, all court costs and charges of every character, (not exceeding five percent (5%) of the gross proceeds of such sale) to Trustee acting under the provisions of paragraph (a) of this Section 46 hereof if foreclosed by power of sale as provided in said paragraph, and to the payment of the other Obligations, including specifically without limitation the principal, accrued interest and attorneys' fees due and unpaid on the Loan Agreement and the amounts due and unpaid and owed to Beneficiary under this Deed of Trust, the order and manner of application to the items in this clause, FIRST to be in Beneficiary's sole discretion; and SECOND, the remainder, if any there shall be, shall be paid to Grantor, or to Grantor's successors or assigns, or such other persons (including the Beneficiary or beneficiary of any inferior lien) as may be entitled thereto by law; provided, however, that if Beneficiary is uncertain which person or persons are so entitled, Beneficiary may interplead such remainder in any court of competent jurisdiction, and the amount of any attorneys' fees, court costs and

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expenses incurred in such action shall be a part of the Obligations and shall be reimbursable (without limitation) from such remainder.

(d) Delivery of Possession After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale, Grantor or Grantor's successors as owners of the Property are occupying or using the Property, or any part thereof, each and all shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of purchaser, at a reasonable rental per day based upon the value of the property occupied, such rental to be due daily to the purchaser; and to the extent permitted by applicable law, the purchaser at such sale shall, notwithstanding any language herein apparently to the contrary, have the sole option to demand immediate possession following the sale or to permit the occupants to remain as tenants at will. After such foreclosure, any Leases to tenants or subtenant, that are subject to this Deed of Trust (either by their date, their express terms, or by agreement of the tenant or subtenant) shall, at the sole option of Beneficiary or any purchaser at such sale, either (i) continue in full force and effect, and the tenant(s) or subtenant(s) thereunder will, upon request, attorn to and acknowledge in writing to the purchaser or purchasers at such sale or sales as landlord thereunder, or (ii) upon notice to such effect from Beneficiary, the Trustees or any purchaser or purchasers, terminate within thirty (30) days from the date of sale. In the event the tenant fails to surrender possession of the Property upon demand, the purchaser shall be entitled to institute and maintain a summary action for possession of the Property (such as an action for forcible detainer) in any court having jurisdiction.

(e) Effective as a Financing Statement. This Deed of Trust shall also be effective as a financing statement covering as-extracted collateral (including oil and gas), accounts and general intangibles under the UCC, as, in effect from time to time, and the Uniform Commercial Code, as in effect from time to time, in any other state where the Property is situated which will be financed at the wellhead or minehead of the wells or mines located on the Property and is to be filed for record in the real estate records of each county where any part of the Property is situated.

(f) Nature of Loan; Compliance with Usury Laws. The loan secured by this Deed of Trust is being made solely for the purpose of carrying on or acquiring a business or commercial enterprise. It is the intent of Grantor and Beneficiary and all other parties to the Loan Documents to conform to and contract in strict compliance with applicable usury law from time to time in effect.

(g) Substitute Trustee. The Trustee may resign by an instrument in writing addressed to Beneficiary, or Trustee may be removed at any time with or without cause by an instrument in writing executed by Beneficiary. In case of the death, resignation, removal, or disqualification of Trustee, or if for any reason Beneficiary shall deem it desirable to appoint a substitute or successor trustee to act instead of the herein named trustee or any substitute or successor trustee, then Beneficiary shall have the right and is hereby authorized and empowered to appoint a successor trustee(s), or a substitute trustee(s), without other formality than appointment and designation in writing executed by Beneficiary and the authority hereby conferred shall extend to the appointment of other successor and substitute trustees successively until the Obligations have been paid in full, or until the Trust Property is fully and finally sold hereunder. If Beneficiary is a corporation or association and such appointment is executed

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on its behalf by an officer of such corporation or association, such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the board of directors or any superior officer of the corporation or association. Upon the making of any such appointment and designation, all of the estate and title of Trustee in the Trust Property shall vest in the named successor or substitute Trustee(s) and he shall thereupon succeed to, and shall hold, possess and execute, all the rights, powers, privileges, immunities and duties herein conferred upon Trustee. All references herein to "Trustee" shall be deemed to refer to Trustee (including any successor(s) or substitute(s) appointed and designated as herein provided) from time to time acting hereunder.

(h) No Liability of Trustee. The Trustee shall not be liable for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever (including Trustee's negligence), except for Trustee's gross negligence or willful misconduct. The Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him hereunder, believed by him in good faith to be genuine. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by law), and Trustee shall be under no liability for interest on any moneys received by him hereunder. Grantor hereby ratifies and confirms any and all acts which the herein named Trustee or his successor or successors, substitute or substitutes, in this trust, shall do lawfully by virtue hereof. Grantor will reimburse Trustee for, and save him harmless against, any and all liability and expenses, which may be incurred by him in the performance of his duties. The foregoing indemnity shall not terminate upon discharge of the Obligations or foreclosure, or release or other termination, of this Deed of Trust.

THE WRITTEN LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

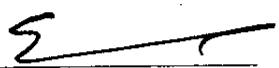
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IN WITNESS WHEREOF, this Mortgage has been duly executed by Mortgagor as of the day and year first above written.

LUCKY SPIN LAUNDRIES, LLC

By: PWS, INC., Manager

By: 
Eric Steinberg
President

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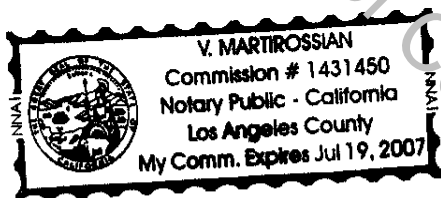
[Illinois Form of Acknowledgement]

STATE OF CALIFORNIA

SS:

COUNTY OF Los Angeles

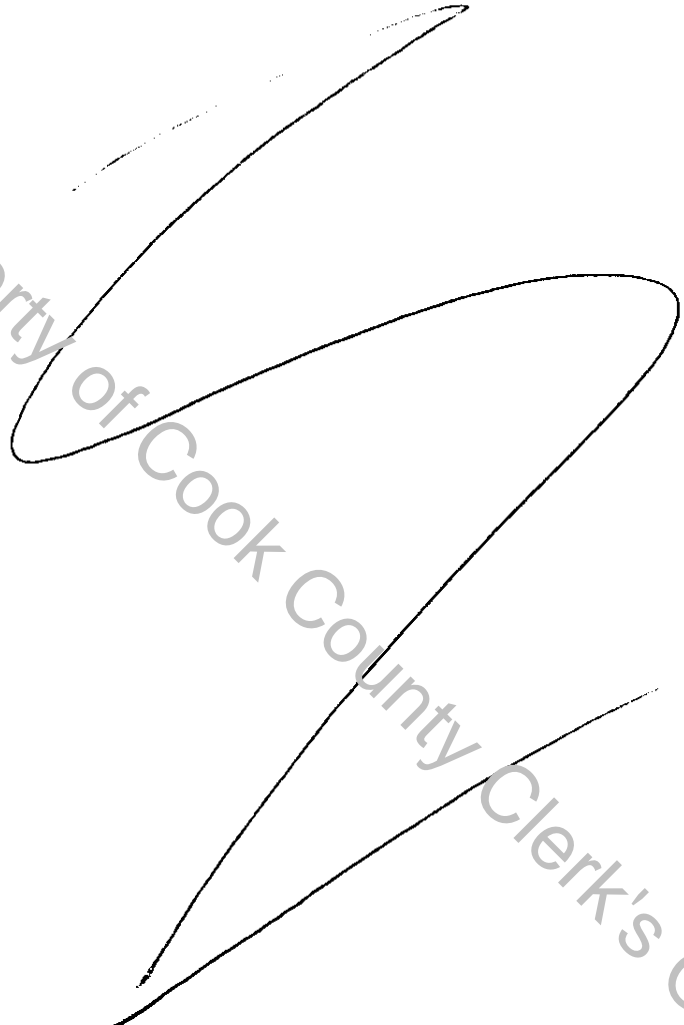
On the 13th day of October, in the year 2003, before me, the undersigned, a notary public in and for said state, personally appeared ERIC S. STEINBERG, ~~personally known to me or~~ proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and acknowledged to me that he/~~she~~ executed the same in his/~~her~~ capacity and that by his/~~her~~ signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



[Signature]
Notary Public

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Exhibit A -- Description of Land



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EXHIBIT A

THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS:

LOTS 19, 20, 21, 22, 23 AND 24 IN BLOCK 8 IN WOODLAWN RIDGE SUBDIVISION OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN.

20 23 112 001
002
030
031
6501 Cottage Grove,
Chicago Ill

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