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H455-1172

MORTGAGE, ASSIGNMENT OF LEASES AND  
RENTS, AND SECURITY AGREEMENT

BY AND BETWEEN

ZENITH ELECTRONICS CORPORATION,  
a Delaware corporation,  
("Mortgagor")

AND

CITICORP NORTH AMERICA, INC.,  
a Delaware corporation, As Agent for itself, the Lenders, and the Issuing Banks  
("Mortgagee")

THIS INSTRUMENT WAS PREPARED BY  
AND AFTER RECORDING RETURN TO:

Jesse H. Austin, III, Esq.  
Paul, Hastings, Janofsky & Walker  
600 Peachtree Street, N.E., Suite 2400  
Atlanta, Georgia 30308



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

A POWER OF SALE HAS BEEN GRANTED IN THIS INSTRUMENT. A POWER OF SALE MAY ALLOW THE MORTGAGEE TO TAKE THE MORTGAGED PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS INSTRUMENT, SUBJECT TO APPLICABLE STATE LAWS.

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, AND SECURITY AGREEMENT (this "Mortgage"), is entered into as of the 9<sup>th</sup> day of November, 1999, by and between ZENITH ELECTRONICS CORPORATION ("Mortgagor"), a Delaware corporation, whose address is 1000 Milwaukee Avenue, Glenview, Illinois 60025; and CITICORP NORTH AMERICA, INC., a Delaware corporation ("Mortgagee"), as Agent for itself, the Lenders, and the Issuing Banks (as defined herein), whose address for all purposes hereunder is 399 Park Avenue, 6<sup>th</sup> Floor, Zone 4, New York, New York 10043.

This Mortgage secures the Obligations (as defined below), which shall be construed in all cases to consist of, among other obligations, the covenants of Mortgagor set forth in, and the repayment of amounts advanced to or for the account, use or benefit of Mortgagor from time to time pursuant to the Credit Agreement (as defined below) or pursuant to any of the Loan Documents (as defined below) or any other papers evidencing, securing or otherwise relating to any of the Indebtedness (as defined below), the aggregate amount of the Indebtedness actually outstanding at any particular time being subject to fluctuations up or down due to further advances of loan proceeds and/or future repayments of such loan proceeds from time to time over the term of such Indebtedness (all of which advances and repayments are hereby declared to be contemplated by Mortgagor and Mortgagee at the time this Mortgage is executed). The maturity of the Indebtedness is December 1, 2002.

It is the intention of the parties hereto that this Mortgage shall be a continuing lien instrument to secure all such Obligations now existing or hereafter arising regardless of the extinguishment and payment of any one or more Obligations. This Mortgage secures future advances made pursuant to the Credit Agreement to Mortgagor and each future advance, whether or not evidenced by a note, and each note or other instrument evidencing the same, shall be secured hereby. All provisions of this Mortgage shall apply to each future advance as well as to all other Obligations secured hereby, whether or not evidenced by a note.

### ARTICLE 1

#### DEFINITIONS

1.1 Definitions. As used herein, the following terms shall have the following meanings:

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Assignment: The assignment and delivery to Mortgagee as security for the payment and performance of the Obligations of all of the rights, titles, interests and estates of Mortgagor in and to all of the following: (a) the Leases, (b) the Rents, and (c) the Fixtures, as accomplished and set forth in Article 8 hereof.

Buildings: Any and all buildings, parking structures, utility sheds, workrooms, air conditioning towers, open parking areas, and other structures or improvements, and any and all additions, alterations, betterments or appurtenances thereto, now or at any time hereafter situated, placed or constructed upon the Land or any part thereof.

Credit Agreement: The Credit Agreement dated of even date herewith, among (i) Mortgagor, (ii) Mortgagee, as Agent for itself, Lenders, and Issuing Banks, (iii) Citibank, N.A., as Issuing Bank, and (iv) the other Lenders which are now or may hereafter become parties thereto, as the same may be amended, supplemented, or otherwise modified from time to time.

Default Rate: The Default Rate as defined in the Credit Agreement.

Expenses: All out-of-pocket reasonable costs and expenses (including reasonable fees and expenses of counsel and court costs) incurred, and all advances made, by the Mortgagee, or any agent of the Mortgagee pursuant to the provisions of, or in furtherance of the Mortgagee's duties or rights under, the Loan Documents, including without limitation, expenses of reaking, holding, preparing for sale or lease or selling and/or leasing the Mortgaged Property, but excluding any of the same specifically described in the Loan Documents as being the responsibility of the Mortgagee.

Fixtures: Equipment, appliances, machinery, fittings, apparatus, and other fixtures now owned or attached, installed, or hereafter acquired by Mortgagor which are so related to the Land and Buildings forming part of the Mortgaged Property that such are deemed real property under the laws of the State, including, without limitation, engines, devices for the operation of pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatus and equipment, water tanks, water supply equipment, water power equipment, heating, ventilating, plumbing, laundry, incinerating, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Mortgagor's interest therein) and all other utilities whether or not situated in easements, fuel stations, fuel tanks, fuel supply, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Mortgaged Property, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing, and the proceeds thereof. Notwithstanding the foregoing,

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"Fixtures" shall not include any property which tenants are entitled to remove pursuant to their Leases.

Impositions: All real estate and personal property taxes; water, gas, sewer, electricity and other utility rates and charges; charges for any easement, license or agreement maintained for the benefit of the Mortgaged Property; and all other taxes, levies, claims, charges and assessments, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which at any time prior to or after the execution hereof may be assessed, levied or imposed upon the Mortgaged Property or the Rents or the ownership, use, occupancy or enjoyment thereof, and any interest, costs or penalties with respect to any of the foregoing.

Indebtedness: (a) The principal, interest and other sums owing or payable by Mortgagor pursuant to the Credit Agreement and the other Loan Documents, including, without limitation, advances made now or hereafter pursuant to the Credit Agreement and evidenced by those certain revolving promissory notes (defined in the Credit Agreement as the "Notes") dated of even date herewith in the aggregate principal face amount of ONE HUNDRED FIFTY MILLION AND NO/100 DOLLARS \$150,000,000.00), having a final maturity date of December 1, 2002 (collectively, the "Note") and any other future advances to be made under the Credit Agreement; (b) amounts drawn upon and amounts for which the Issuing Banks are obligated to advance under the Letters of Credit; (c) any and all additional advances made by Mortgagee to protect, preserve, repair, or maintain the Mortgaged Property or the security title, security interest and lien hereof on the Mortgaged Property, or to complete improvements on the Mortgaged Property whether or not Mortgagor remains the owner of the Mortgaged Property at the time of such advances in accordance with the provisions hereof; and (d) any and all Expenses incident to the collection of the Obligations secured hereby and the foreclosure hereof by action in court or by exercise of the power of sale herein contained.

Land: All those tracts or parcels of real property owned in fee by the Mortgagor and described in Exhibit "A", attached hereto and incorporated herein and all rights, titles, and interests appurtenant thereto.

Leases: Any and all leases, subleases, licenses, concessions, or other agreements (written or verbal, now or hereafter in effect) through which Mortgagor directly or indirectly grants a possessory interest in and to, or the right to occupy and use, all or any portion of the Mortgaged Property together with any renewals or extensions thereof.

Legal Requirements: (i) Any and all present and future decisions, statutes, rulings, rules, regulations, permits, certificates or ordinances of any Governmental Authority in any way applicable to Mortgagor or the Mortgaged Property, including, without limitation, the ownership, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof and (ii) Mortgagor's presently or subsequently effective Certificate of Incorporation and Bylaws.

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Lenders: The "Lenders" as defined in the Credit Agreement.

Letters of Credit: The "Letters of Credit" as defined in the Credit Agreement, which shall not exceed an aggregate face amount of \$45,000,000.00 unless increased by written agreement of Mortgagor and Mortgagee.

Loan Documents: This Mortgage, the Credit Agreement, the Note, and any and all other documents described as "Loan Documents" in the Credit Agreement together with all amendments, modification, revisions, and supplements thereto that may be hereafter made.

Material Adverse Effect: "Material Adverse Effect" as defined Credit Agreement.

Mechanic's Liens: As defined in Section 4.4 hereof.

Mortgaged Property: The Land, Buildings, Fixtures, Leases, and Rents, together with:

(i) all rights, privileges, tenements, licenses, hereditaments, rights-of-way, easements, utility use, air rights, appendages and appurtenances in anywise appertaining thereto, and all right, title, interest or estate of Mortgagor in and to any streets, ways, alleys, roadbeds, inclines, tunnels, culverts, strips or gores of land adjoining or serving the Land or any part thereof.

(ii) all betterments, additions, alterations appurtenances, substitutions, replacements and revisions thereof and thereto and all reversions and remainders therein;

(iii) all of Mortgagor's right, title and interest in and to any awards, remuneration, settlement, compensation hereafter to be made by any insurer, Governmental Authority or other person or entity as a result of the destruction, loss, theft, taking by eminent domain or other involuntary conversion of whatever nature (whether occurring prior to or after the date of this Mortgage) of any of the Land, Buildings, Fixtures, Leases, or Rents, including those for any condemnation and vacation of, or change of grade in, any streets affecting the Land or the Buildings;

(iv) any and all other security and collateral of any nature whatsoever, now or hereafter given by Mortgagor to secure the payment and performance of the Obligations;

(v) all water and water rights (whether riparian, appropriative, or otherwise and whether or not appurtenant) in or hereafter relating to or used in connection with the Land;

(vi) any right, title, interest or estate hereafter acquired by Mortgagor in any of the foregoing and in and to the Land, Buildings, Fixtures (except as otherwise provided herein), Leases and Rents; and

(vi) all proceeds and products of the foregoing. As used in this Mortgage, the term "Mortgaged Property", including each component thereof, shall be expressly interpreted as meaning all or, where the context permits or requires, any portion of the above, and all or, where the context permits or requires, any interest of Mortgagor therein.

Mortgagee: Citicorp North America, Inc., as Agent for itself, the Issuing Banks and the Lenders.

Mortgagor: The above-defined Mortgagor and any and all subsequent owners of the Mortgaged Property.

Obligations: All Indebtedness and all Obligations (as such term is defined in the Credit Agreement) of the Mortgagor under or in respect of the Loan Documents.

Parcel: A single parcel of real property identified as a unit in Exhibit "A" attached hereto. For purposes of legal descriptions and real property title records, a Parcel may be comprised of more than one lot.

Permitted Exceptions: Those matters set forth on Schedule B to Loan Policy H455-1172 issued by Commonwealth Land Title Insurance Company.

Permitted Liens: Permitted Liens shall have the meaning set forth in the Credit Agreement.

Rents: All of the rents, revenues, income, proceeds, profits, security and other types of deposits, and other benefits paid or payable and to become due or payable to Mortgagor by parties to the Leases for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying any portion or portions of the Mortgaged Property.

State: The State of Illinois.

UCC: The Uniform Commercial Code as adopted in the State.

Work: As defined in Section 4.7 hereof.

1.2 Defined Terms. The terms "Agent," "Business Day," "Capital Expenditures," "Commitments," "Default," "Event of Default," "GAAP," "Governmental Authority," "Issuing Banks," "Permitted Liens," "Subsidiary," together with any other capitalized term used herein but not otherwise defined herein, shall have the same respective meanings given to them in the Credit Agreement.

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## ARTICLE 2

### GRANT

2.1 Grant. NOW THEREFORE, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Mortgagor, and to secure Mortgagor's repayment and full and faithful performance and satisfaction of the Obligations, Mortgagor has GIVEN, ALIENATED, REMISED, GRANTED, BARGAINED, MORTGAGED, SOLD, RELEASED, CONVEYED, ASSIGNED, TRANSFERRED, WARRANTED, SET OVER AND CONFIRMED and by these presents does GIVE, ALIENATE, REMISE, GRANT, BARGAIN, MORTGAGE, SELL, RELEASE, CONVEY, ASSIGN, TRANSFER and WARRANT, SET OVER AND CONFIRM unto Mortgagee the Mortgaged Property, with right of entry for the benefit of Mortgagee, subject only to the Permitted Exceptions and the Permitted Liens, TO HAVE AND TO HOLD the Mortgaged Property and (except as otherwise set forth herein) all parts, rights, members and appurtenances thereof for the use, benefit and behoof of the Mortgagee; and Mortgagor hereby absolutely and irrevocably assigns to Mortgagee the Leases and Rents for the purposes and upon the terms and conditions herein set forth; and Mortgagor does hereby bind itself, its successors and assigns to FOREVER WARRANT AND DEFEND the title to the Mortgaged Property and every part thereof unto Mortgagee against every person whomsoever lawfully demanding, claiming or to claim the same or any part thereof, and that at and until the unsealing of these presents Mortgagor is well seized of the Mortgaged Property as a good and indefeasible estate subject only to the Permitted Exceptions and the Permitted Liens.

2.2 Defeasance and Reconveyance. If the Obligations shall have been performed, paid and discharged in full, and provided that there exists no pending or threatened unsatisfied obligation pursuant to the environmental indemnification in the Credit Agreement or the Loan Documents, and provided that Commitment under the Credit Agreement shall be terminated and none of the Lenders and Issuing Banks shall have any remaining, absolute or contingent obligation to lend money to, or extend credit on behalf of, Mortgagor under the Credit Agreement or any related documents including without limitation, the Loan Documents, then the liens, security interests, estates and rights granted by this Mortgage shall terminate; whereupon the Mortgagee promptly shall execute such documents in recordable form as may be necessary to release the Mortgaged Property, or that portion thereof then held hereunder from the lien of and security interests created by this Mortgage, and this Mortgage shall thereafter cease, determine and be void, null and canceled. To the extent permitted by law, any reconveyance delivered hereunder may describe the grantee as "the person or persons legally entitled thereto." Neither Mortgagee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. Each reconveyance of Mortgaged Property or portions thereof shall also operate as a reassignment

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of all future rents, issues and profits appertaining to the Parcel(s) or portions thereof covered by such reconveyance to the person or persons legally entitled thereto, unless its reconveyance expressly provides otherwise.

### 2.3 Intentionally Omitted.

2.4 Revolving Credit. The Credit Agreement includes a revolving credit facility and there may be repayments and disbursements of principal from time to time. It is expressly agreed that the outstanding principal balance of the Indebtedness under the Credit Agreement may, from time to time, be reduced to a zero balance without such repayment operating to extinguish and release the lien, security titles and security interests created by this Mortgage. This Mortgage shall remain in full force and effect as to any subsequent future advances made after the zero balance without loss of priority until (i) the Obligations are satisfied and paid in full, (ii) the Credit Agreement, the Loan Documents, and all other agreements between Mortgagor and Mortgagee for further advances have been terminated, and (iii) this Mortgage is released of record. Mortgagor waives the operation of any applicable statute, law, or regulation having a contrary effect.

2.5 Future Advances. (a) This Mortgage secures such future or additional advances (in addition to the principal amount of the Note) as may be made pursuant to the Credit Agreement to the Mortgagor or its successors or assigns in title, provided that all such advances are made within twenty (20) years from the date of this Mortgage or within such lesser period of time as may be provided by law as a prerequisite for the sufficiency of actual notice or record notice of such optional future or additional advances as against the rights of creditors or subsequent purchasers for valuable consideration to the same extent as if such future or additional advances were made on the date of the execution of this Mortgage. The total amount of Indebtedness secured by this Mortgage may be increased or decreased from time to time, but the total unpaid balance so secured at any one time shall not exceed (i) the maximum principal amount of \$150,000,000.00 plus interest thereon and (ii) any disbursements made or Expenses incurred under the Mortgage for the payment of Impositions, insurance, protection of the Mortgaged Property, collection of the Indebtedness, or otherwise, with interest on such disbursements. It is the intent of the parties that this Mortgage shall secure the payment of the Note and advances made from time to time pursuant to the Credit Agreement or otherwise, all of such Indebtedness being equally secured hereby and having the same priority as any amounts advanced as of the date of this Mortgage. It is agreed that any additional sum or sums advanced by Mortgagee shall be equally secured with, and have the same priority as, the original Indebtedness and shall be subject to all of the terms, provisions and conditions of this Mortgage, whether or not such additional advances are evidenced by other promissory notes of Mortgagor and whether or not identified by a recital that it or they are secured by this Mortgage.

2.6 Conflict with Credit Agreement. In the event of any conflict between the terms contained in this Mortgage and those contained in the Credit Agreement, those terms contained in the Credit Agreement shall be controlling.



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## ARTICLE 3

### WARRANTIES AND REPRESENTATIONS

For the consideration aforesaid and to protect the security of this Mortgage, Mortgagor hereby unconditionally reaffirms the representations set forth in Article 4 of the Credit Agreement and further unconditionally warrants and represents to Mortgagee as follows:

3.1 Title to Mortgaged Property and Lien of this Instrument. Mortgagor has good and record and marketable title in fee to the Land, Buildings and Fixtures and good title to the Leases in all cases free and clear of any Liens and claims of Lien except the Permitted Exceptions and the Permitted Liens. This Mortgage constitutes a valid first mortgage on the Mortgagor's fee interest in the Land, the Buildings, and the Fixtures, Leases, and Rents, all in accordance with the terms hereof, in each case subject only to the Permitted Exceptions and the Permitted Liens.

3.2 Impositions and Other Payments. Mortgagor has filed all property and similar tax returns required to have been filed by it and has paid and discharged, or caused to be paid and discharged, all Impositions imposed against, affecting or relating to the Mortgaged Property which otherwise would have become due, together with any fine, penalty, interest or cost for non-payment pursuant to such returns or pursuant to any assessments received by it other than those not yet delinquent and except for those contested in good faith by appropriate proceedings for which adequate reserves in conformity with GAAP have been made. Except for amounts secured by any of the Permitted Exceptions and Permitted Liens, sums not yet delinquent and sums contested in good faith by appropriate proceedings and for which adequate reserves in conformity with GAAP have been made, Mortgagor has paid and discharged, or caused to be paid and discharged, all other sums which have become due (or, in the case of installment contracts, all installment sums which have become due), together with any fine, penalty, interest or cost for non-payment, for labor, material, supplies, personal property (whether or not forming a Fixture hereunder) and services of every kind and character installed in or on the Mortgaged Property and no claim for same exists.

## ARTICLE 4

### AFFIRMATIVE COVENANTS RELATING TO LAND

Mortgagor hereby reaffirms the covenants set forth in Article 5 and Article 6 of the Credit Agreement and further, unconditionally covenants and agrees with Mortgagee as follows:

4.1 Payment and Performance. Mortgagor will satisfy and perform the Obligations, including the payment of any sums required thereby and the repayment of the Indebtedness, in full and on or before the dates same are to be satisfied and performed.

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4.2 Compliance with Legal Requirements. Mortgagor will promptly and faithfully comply with, conform to and obey in all material respects all Legal Requirements whether or not the same shall necessitate structural changes in or improvements to, or interfere with the use or enjoyment of the Mortgaged Property, unless failure to comply with such Legal Requirements would not, and would not be reasonably likely to, have a Material Adverse Effect, and provided Mortgagor shall have the right in good faith to contest any such Legal Requirement provided that the Mortgaged Property affected thereby shall be in no danger of being sold, forfeited or lost pursuant to such contest and provided adequate reserves have been set aside by Mortgagor, in accordance with GAAP, to pay the cost necessary to comply with such Legal Requirement in the event Mortgagor fails to prevail in such contest. Mortgagor will procure and continuously maintain in full force and effect all permits, licenses and other authorizations required for construction of improvements, for any permitted use of the Mortgaged Property or any part thereof then being made and for the lawful and proper installation, operation and maintenance of the Mortgaged Property. Mortgagor will not maintain any nuisance on the Mortgaged Property.

4.3 Lien Status. Mortgagor will defend and protect the first lien, security title and security interest status of this Mortgage, subject only to the Permitted Exceptions and the Permitted Lines. If Mortgagor shall fail to satisfy its obligations under this Section 4.3, Mortgagee shall have the rights granted by Section 8.2 of the Credit Agreement and Section 10.7 hereof to do such actions as Mortgagee deems necessary to defend and protect the first lien, security title and security interest status of this Mortgage subject as aforesaid. Mortgagor shall reimburse Mortgagee for any losses or Expenses incurred by Mortgagee if an interest in the Mortgaged Property, other than as permitted hereunder, is claimed by others.

4.4 Payment of Impositions and Other Amounts. (a) Mortgagor will duly pay and discharge, or cause to be paid and discharged, the impositions not later than the latest of (i) the due date thereof, (ii) the day any fine, penalty, interest or cost may be added thereto or imposed thereon or (iii) the day any notice of Lien may be filed for the non-payment thereof (but only if such day is used to determine the due date of the respective item); provided, however, that (1) Mortgagor may, if permitted by law and if such installment payment would not result in the imposition of any fine, penalty or cost on the remaining amount then due, pay the Impositions in installments whether or not interest shall accrue on the unpaid balance of such Impositions, and (2) unless an Event of Default has occurred and is continuing, Mortgagor shall not be required to pay and discharge or to cause to be paid and discharged any such Impositions so long as (u) the validity or amount thereof shall be contested diligently and in good faith by appropriate proceedings, (v) the Mortgaged Property shall then be in no danger of being sold, forfeited or lost pursuant to such contest, and (w) adequate reserves have been set aside by Mortgagor to pay the Impositions in accordance with GAAP, consistently applied by Mortgagor in connection therewith.

(b) Notwithstanding the foregoing clause (a), but subject to clause (c) succeeding, Mortgagor (i) shall pay all lawful claims and demands of mechanics, materialmen, laborers and others with respect to the Mortgaged Property not later than the latest of (x) the due date thereof, (y) the day any fine, penalty, interest or cost may be added

thereto or imposed thereon or (z) the day any Lien or claim of Lien may be filed for the non-payment thereof (but only if such day is used to determine the due date of the respective item); and (ii) shall not create or suffer or permit any mechanic's liens or claims of lien, materialmen's liens or claims of liens, or other claims for lien made by parties claiming to have provided labor or materials with respect to the Mortgaged Property (which liens and claims of lien are herein referred to as "Mechanic's Liens") to attach to or be filed against the Mortgaged Property, whether such Mechanic's Liens are inferior or superior to the lien of this Mortgage, except to the extent permitted by clause (c) below.

(c) Notwithstanding the foregoing prohibition against Mechanic's Liens against the Mortgaged Property, Mortgagor, or any party obligated to Mortgagor to do so, may in good faith and with reasonable diligence by appropriate proceedings contest the validity or amount of any Mechanic's Lien and defer payment and discharge thereof during the pendency of such contest, provided: (i) that such contest shall have the effect of preventing the sale or forfeiture of the affected Parcels and any part thereof, or any interest therein, to satisfy any such Mechanic's Lien; (ii) that, within twenty (20) days after Mortgagor has been notified of the filing of any Mechanic's Lien, any affidavit claiming a Mechanic's Lien or any notice of intention to file a Mechanic's Lien, Mortgagor shall have notified Mortgagee in writing of Mortgagor's intention to contest such Mechanic's Lien or to cause such other party to contest such Mechanic's Lien; (iii) that to the extent required by applicable Legal Requirements in connection with such contest, Mortgagor shall deposit with the court or other applicable Person such bonds or other security as is so required; and (iv) that adequate reserves have been set aside by Mortgagor in accordance with GAAP, to pay in full such Mechanic's Lien and all interest which may be due in connection therewith.

4.5 Repair: Mortgagor will maintain and preserve the Mortgaged Property in good working order and condition, ordinary wear and tear excepted, and will make all repairs, replacements, renewals, additions, betterments, improvements and alterations thereof and thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen, which are necessary to keep same in such order and condition.

4.6 Insurance. Mortgagor will maintain upon and relating to the Mortgaged Property policies of liability and casualty insurance in accordance with the provisions of Section 5.2 of the Credit Agreement.

4.7 Restoration Following Casualty. If any acts or occurrences of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, shall result in damage to or loss or destruction of Mortgaged Property, Mortgagor will give prompt notice thereof to Mortgagee. In the event that (a) there are sufficient insurance proceeds or sufficient other amounts available to Mortgagor to fully pay for the restoration, repair or replacement (hereinafter called "Work") of the Mortgaged Property and (b) no Event of Default shall have occurred and be continuing, then Mortgagor will so certify to Mortgagee, and will certify that it will, and shall, within 30 days following reaching an agreement with the insurer under the casualty insurance policy relating thereto with regard to the disbursement of insurance proceeds commence and thereafter continue diligently to completion, restore, repair, replace and rebuild such Mortgaged Property as nearly as possible to the value, condition and

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character immediately prior to such damage, loss or destruction with such alterations, modifications and/or betterments reasonably deemed necessary or desirable by Mortgagor in its business judgment. If the conditions set forth in such certificate of Mortgagor are not satisfied with respect to casualty, or if Mortgagor fails to timely deliver such a certificate to Mortgagee, the insurance proceeds relating thereto shall be promptly paid by Mortgagor to Mortgagee (and if previously paid to Mortgagee in accordance with Section 4.8, shall be retained by Mortgagee), and applied to the payment of the Obligations as provided in the Credit Agreement.

**4.8 Application of Proceeds.** Insurance proceeds to be applied for Work, which proceeds are equal to or greater than \$100,000.00 on a per occurrence or claim basis, initially shall be paid to Mortgagee's designated construction escrow, and shall be paid out to Mortgagor from time to time as the Work progresses and documentation satisfactory to the construction escrowee shall be received, subject to the following conditions: (a) prior to the commencement thereof (other than Work to be performed on an emergency basis to protect the Mortgaged Property or prevent interference therewith), (i) an architect or engineer, reasonably approved by Mortgagee shall be retained by Mortgagor (at Mortgagor's expense) and be charged with the supervision of the Work; (b) each request for payment by Mortgagor shall be made on ten (10) days prior notice to Mortgagee and the construction escrowee and shall be accompanied by a certificate by an executive officer of Mortgagor, stating that: (i) all of the Work completed has been completed in substantial compliance with the plans and specifications therefor; (ii) the sum requested is justly required for payments by Mortgagor to, or is justly due to, the contractor, sub contractors, materialmen, laborers, engineers, architects or other Persons rendering services or materials for the Work; (iii) when added to all sums previously paid out from the escrow, the sum requested does not exceed the value of the Work completed to the date of such certificate; and (iv) the amount of insurance proceeds remaining in the escrow, plus any further reserves agreed to be maintained by Mortgagor in conformity with GAAP in connection with the Work, will in Mortgagee's reasonable judgment be sufficient to complete the Work; (c) each request shall be accompanied by certification by an executive officer of Mortgagor or copies of waivers of Lien reasonably satisfactory in form and substance to Mortgagee and the construction escrowee covering that part of the Work for which payment or reimbursement is being requested, provided, however, that in the event it is customary State practice not to grant such waivers prior to the making of such payments, Mortgagor shall have obtained affidavits from the parties requesting such payment (i) stating the amount then due and (ii) promising the delivery of the waiver upon the making of the payment; (d) an Event of Default has not occurred and is not continuing since the hazard, casualty or contingency giving rise to payment of the insurance proceeds occurred; (e) in the case of the request for the final disbursement, such request is accompanied by a copy of any Certificates of Occupancy or other certificate required by any Legal Requirement to render occupancy of the damaged portion of the Mortgaged Property lawful; and (f) if, in Mortgagee's reasonable judgment, the amount of such insurance proceeds will not be sufficient to complete the Work (which determination may be made prior to or from time to time during the performance of the Work), Mortgagor shall maintain adequate reserves in conformity with GAAP equal to an amount of money which when added to such insurance proceeds will be sufficient, in Mortgagee's reasonable judgment, to complete the Work. Insurance proceeds to be used for

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Work, which proceeds are less than \$100,000.00 on a per occurrence or claim basis, initially shall be paid to Mortgagor and shall be used by Mortgagor to perform such Work in accordance with its certificate delivered pursuant to Section 4.7, with any excess thereof used to pay down the Obligations in accordance with Section 4.7.

4.9 Inspection. Mortgagor will permit Mortgagee and its agents, representatives and employees to inspect the Mortgaged Property at any reasonable time. This Section 4.9 shall in no way be construed to limit the right to inspection as afforded in Section 5.7 of the Credit Agreement.

4.10 Leases. With respect to Leases:

(a) Mortgagor shall promptly and fully keep, observe and perform, or cause to be kept, observed and performed, all of the material terms, covenants, provisions and agreements imposed upon or assumed by Mortgagor under any Leases, now or hereafter in effect, including any amendments or supplements to such Leases covering any part of the Mortgaged Property that is affected by the terms, covenants, provisions and agreements imposed upon or assumed by Mortgagor in such Leases and Mortgagor shall not do or fail to do, or permit or fail to permit to be done, any act or thing, the doing or omission of which would give any party a right to terminate any of such Leases in the case of any tenant, to abate the rental or other material payment due thereunder; and

(b) If Mortgagor shall, in any manner, fail to comply with subparagraph (a) above, Mortgagor agrees that Mortgagee may (but shall not be obligated to) take upon thirty (30) days' written notice to Mortgagor (or upon less notice, or without notice, if Mortgagee reasonably deems that the same is required to protect its interest in the Mortgaged Property), any action which Mortgagee shall reasonably deem necessary or desirable to keep, observe, perform or cause to be kept, observed or performed any of the terms, covenants, provisions or agreements and to enter into the Mortgaged Property and take all action thereon as may be necessary therefor, or to prevent or cure any default by Mortgagor in the performance of or compliance with any of Mortgagor's covenants or obligations under said Leases. Mortgagee may rely on any notice of default received by any tenant, unless, in connection with any such default or alleged default Mortgagor in good faith notifies Mortgagee of Mortgagor's election to contest such default by appropriate procedures and diligently pursues such contest. Mortgagor shall promptly deliver to Mortgagee a copy of any notice relating to defaults received from any tenant that is a party, or the trustee, receiver or successor for or to a party, to any of said Leases. Mortgagee may expend such sums of money as are reasonable and necessary for any such purposes, and Mortgagor hereby agrees to pay to Mortgagee immediately upon demand, all sums so expended by Mortgagee, together with interest thereon from the date of such payment at the Default Rate, and until so paid by Mortgagor, all sums so expended by Mortgagee and the interest thereon shall be added to the Obligations secured by the lien and legal operation and effect of this Mortgage.

4.11 Leases; Mortgagor as Lessor. Mortgagor shall cause each Lease entered into after the date hereof to include provisions substantially in the form attached hereto as Exhibit "B".

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4.12 Taxes. Mortgagor shall pay, together with interest, fines, and penalties, if any, any documentary stamps, recording, transfer, mortgage, intangibles or other taxes or fees whatsoever due under the laws of the State in connection with the making, execution, delivery, filing of record, recordation, assignment, release, or discharge of any of the Loan Documents or in connection with any advances made thereunder. This obligation shall survive the repayment of the Obligations and shall continue for so long as Mortgagee could be assessed for such taxes or fees, or for penalties or interest with respect to such taxes or fees.

4.13 Collection Costs. In the event that this Mortgage is foreclosed, or in the event this Mortgage is put into the hands of an attorney for collection, suit, action or foreclosure, or in the event of the foreclosure of any mortgage prior to or subsequent to this Mortgage, in which proceeding Mortgagee is made a party, or in the event of the bankruptcy of Mortgagor, or an assignment by Mortgagor for the benefit of creditors, Mortgagor, its successors or assigns, shall be chargeable with and agrees to pay all reasonable costs of collection and defense, including an amount as attorneys' fees not to exceed such amount as may be permitted by the laws of the applicable State including reasonable actual attorneys' fees for all appellate proceedings and post-judgment action involved therein, which shall be due and payable at once together with all required service or use taxes; the payment of which charges, fees and taxes, together with all costs and Expenses, shall be secured hereby, and may be recovered in any suit or action hereupon or hereunder.

4.14 Estoppel Certificates. Mortgagor, upon request of Mortgagee, shall, from time to time, certify to Mortgagee or to any permitted assignee of this Mortgage, by an instrument in the form satisfactory to Mortgagee or such assignee and duly acknowledged, inter alia, the amount then owing under the Loan Documents and the date through which interest thereon has been paid, and whether any offsets, counterclaims, credits, or defenses exist against payments thereof or performance of any obligation of Mortgagor under the Loan Documents or this Mortgage, within ten (10) days of notice of such request. Mortgagee and any permitted assignee of the Mortgage shall have the right to rely on any such certification.

4.15 Creation and Recordation of Additions and Betterments. Mortgagor shall arrange for timely recording or filing as is required of all documents having to do with additions to or betterments of any portion of the Mortgaged Property, and all covenants and agreements set forth in this Mortgage shall apply to all such additions and betterments.

4.16 Consents. Mortgagor will obtain and maintain the consent or approval of any Person whose consent or approval is required to the granting of a Lien on any interest in the Mortgaged Property to the Mortgagee for its benefit and the ratable benefit of the Lenders and Issuing Banks.

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## ARTICLE 5

### NEGATIVE COVENANTS RELATING TO LAND

Mortgagor hereby reaffirms the covenants set forth in Article 7 of the Credit Agreement and further, hereby unconditionally covenants and agrees with Mortgagee that, until all of the Obligations shall have been fully paid, performed, satisfied and discharged:

5.1 Use Violations. Mortgagor will not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, any portion of the Mortgaged Property in any manner which would result in a violation of Section 4.2 above or make void, voidable or cancelable, or substantially increase the premium of, any insurance then in force with respect thereto.

5.2 Waste. Mortgagor will not commit or permit any waste of the Mortgaged Property or permit any nuisance to be maintained thereon.

5.3 Transfer of Mortgaged Property; Partial Release. Except as otherwise expressly provided for in this Mortgage or in the Credit Agreement, Mortgagor will not, without the prior written consent of Mortgagee, acting in its sole discretion, permit any of the Mortgaged Property to be sold, transferred, conveyed, mortgaged, pledged, encumbered, disposed of, leased, or removed (a "Transfer") at any time. If such Transfer is otherwise permitted pursuant to this Mortgage or the Credit Agreement, then, upon at least ten (10) days' prior notice to Mortgagee and upon compliance with the terms of this Mortgage or the Credit Agreement, as the case may be, Mortgagor shall have the right to obtain from the Mortgagee the release or reconveyance of such transferred portions of the Mortgaged Property.

## ARTICLE 6

### DEFAULT AND FORECLOSURE

6.1 Remedies. If an Event of Default shall have occurred and all of the Obligations then remaining unpaid shall have been declared due and payable in accordance with the Credit Agreement, then, without notice or demand, which are hereby expressly waived, in addition to the Remedies set forth in Section 8.2 of the Credit Agreement, the Mortgagee may exercise any or all of the following rights, remedies and recourses:

(a) Entry Upon Mortgaged Property. To the extent permitted by applicable Legal Requirements, enter upon all or any part of the Mortgaged Property and take exclusive possession thereof and of all books, records and accounts relating thereto. If Mortgagor remains in possession of all or any part of the Mortgaged Property after an Event of Default and without Mortgagee's prior written consent thereto, Mortgagee may invoke any and all legal remedies and dispossess Mortgagor, including specifically one or more actions for forcible entry and detainer, trespass to title and writ of restitution. Nothing contained in the

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foregoing sentence shall, however, be construed to impose any greater obligation or any prerequisites acquiring possession of the Mortgaged Property after an Event of Default than would have existed in the absence of such sentence.

(b) Operation of Mortgaged Property.

(i) To the extent permitted by applicable Legal Requirements, lease, manage, operate or otherwise use or permit the use of all or any portion of the Mortgaged Property either by itself or by other persons, firms or entities in such manner, for such time and upon such other terms as Mortgagee may deem prudent and reasonable under the circumstances (making such repairs, alterations, additions and improvements thereto and taking any and all other action with reference thereto, from time to time, as Mortgagee shall reasonably deem necessary or desirable), and all Rents and other amounts collected by Mortgagee in connection therewith shall be applied in accordance with the provisions of Section 6.6 hereinbelow.

(ii) To the extent permitted by applicable Legal Requirements, as attorney-in-fact or agent of the Mortgagor or in its own name as Mortgagee and under the power therein granted, hold, operate, manage, and control all or any portion of the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents, and to exercise the powers described in Section 8.3 hereof. Such remedies may be exercised cumulatively and concurrently, and in this respect Mortgagee shall be entitled to avail itself of the benefits and rights stated in Section 6.3 of this Mortgage.

(c) Foreclosure. (i) Institute a proceeding, judicial or otherwise, for the complete foreclosure of this Mortgage to the fullest extent permitted by law; or (ii) institute a proceeding or proceedings, judicial or otherwise, for the partial foreclosure of this Mortgage, as permitted by applicable Legal Requirements for the portion of the Obligations then due and payable, with this Mortgage then continuing unimpaired and without loss of priority so as to secure the balance of the Obligations.

(d) Special State Provisions:

Mortgagee may, either with or without entry or taking possession as provided in this Mortgage or otherwise, and without regard to whether or not the Obligations shall have been accelerated, bring an action of foreclosure of this Mortgage. To the extent permitted by law, Mortgagee itself, or by such officers or agents as it may appoint, is hereby expressly authorized to enter and take possession of all or any portion of the Mortgaged Property and Mortgagee may obtain a judgment or decree conferring on Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of the Mortgaged Property to Mortgagee, to the entry of which judgment or decree Mortgagor hereby specifically consents. Mortgagor shall pay to Mortgagee, upon demand, all costs and Expenses of obtaining such judgment or decree and reasonable compensation to Mortgagee, its attorneys and agents, and all such costs, Expenses and compensation shall, until paid, be secured by the lien of this Mortgage. Upon every such entering upon or taking of possession,



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Mortgagee, to the extent permitted by law, may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof. Without limiting the generality of the foregoing, all Expenses incurred by Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the Illinois Mortgage Foreclosure Law, 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. Mortgagor hereby waives any and all rights of redemption and, to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under Section 15-1601 of the Illinois Mortgage Foreclosure Law.

(e) Sale. To the extent permitted by applicable Legal Requirements, sell or offer for sale the Mortgaged Property, in such portions, order and parcels as Mortgagee may determine, or without having first taken possession of same, to the highest bidder for cash in lawful money of the United States at public auction in accordance with applicable Legal Requirements, or the UCC, and in the event of sale, by foreclosure or otherwise, of less than all of the Mortgaged Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Mortgaged Property. Mortgagee may postpone any sale by public announcement at the time and place notice is given of the sale. If the Mortgaged Property consists of several lots, parcels or items of property, Mortgagee may, in its sole discretion: (i) designate the order in which such lots, parcels or items shall be offered for sale or sales, or (ii) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales or in any other manner Mortgagee deems in its best interest. Should Mortgagee desire that more than one sale or other disposition of the Mortgaged Property or any portion thereof be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Mortgagee may deem to be in its best interests, no such sale shall terminate or otherwise affect the lien and security interest of this Mortgage on any part of the Mortgaged Property not sold until all the Obligations have been fully satisfied and all Commitments of the Lenders and Issuing Banks under the Credit Agreement have been fully terminated. Mortgagor shall pay the Expenses of any sale of the Mortgaged Property, whether one or more, and of any judicial proceedings wherein the same may be made, including reasonable compensation to Mortgagee, its agents and counsel, and to pay all Expenses, liabilities and advances made or incurred by Mortgagee in connection with such sale or sales, together with interest on all such advances made by Mortgagee at the Default Rate. Upon any sale hereunder, Mortgagee shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the property so sold, but without any covenant or warranty whatsoever, express or implied, whereupon such purchaser or purchasers shall be let into immediate possession; and the recitals in any such deed or deeds of facts, such as default, the giving of notice of default and notice of sale, and other facts affecting the regularity or validity of such sale or disposition, shall be conclusive proof of the truth of such facts; and any such deed or fees shall be conclusive against all persons as to such facts recited therein.

(f) Trustee or Receiver. Prior to, upon or at any time after, commencement of foreclosure of the lien, security title and security interest provided for herein, or any legal proceedings pursuant hereto, make application to a court of competent jurisdiction for appointment of a receiver of the Mortgaged Property. Such application may be made as a

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matter of strict right and without notice to Mortgagor (unless notice is required by applicable Legal Requirements and such right of notice may not be waived) or regard to the adequacy of the Mortgaged Property or insolvency of the Mortgagor or any person who may be legally or equitably liable for the Indebtedness and without giving bond to Mortgagor (unless bond is required by applicable Legal Requirements and such right of bond may not be waived) and Mortgagor does hereby irrevocably consent to such appointment. Any such receiver shall have all the powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property all upon such terms as may be approved by the court, and shall apply the Rents in accordance with the provisions of this Mortgage.

(g) Separate Sales. To the extent permitted by applicable Legal Requirements, the Mortgaged Property may be sold in one or more Parcels and in such manner and order as Mortgagee, in its sole discretion may elect, it being expressly understood and agreed that the right of sale arising hereunder as a result of any Event of Default shall not be exhausted by any one or more sales.

(h) Other. Exercise any and all other rights, remedies and recourses granted under the Loan Documents or now or hereafter existing in equity or at law, by virtue of statute or otherwise; including, without limitation, any right, to bring an action in any court of competent jurisdiction to foreclose this instrument as a realty mortgage and enforce any of the terms hereof.

(i) Remedies Cumulative, Concurrent and Nonexclusive. Mortgagee shall have all rights, remedies and recourses granted in the Credit Agreement, the Loan Documents and available at law or equity (including specifically those granted by the UCC in effect and applicable to the Mortgaged Property) and, except as limited by applicable Legal Requirements, the same (a) shall be cumulative and concurrent; (b) may be pursued separately, successively or concurrently against Mortgagor or against all or any portion of the Mortgaged Property at the sole discretion of Mortgagee; (c) may be exercised as often as occasions therefor shall arise, it being agreed by Mortgagor that the exercise or failure to exercise any of same shall in no event be construed as a waiver or release thereof of any other right, remedy or recourse; and (d) are intended to be, and shall be nonexclusive.

6.2 No Conditions Precedent to Exercise of Remedies. Mortgagor shall not be relieved of any obligation it has under the Credit Agreement or the Loan Documents by reason of (i) the release, regardless of consideration, of any of the Mortgaged Property or any other collateral held pursuant to the Loan Documents or the addition of any other property to the Mortgaged Property or any other such collateral; (ii) any agreement or stipulation between any subsequent owner of all or any portion of the Mortgaged Property and Mortgagee extending, renewing, rearranging or in any other way modifying the terms of the Loan Documents without first having obtained the consent of, given notice to or paid any consideration to Mortgagor, and in such event Mortgagor shall continue to be liable to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged in writing by Mortgagee; or (iii) any other acts or occurrence, save and except the complete satisfaction of all of the Obligations, and the

termination of the Commitments of the Lenders and Issuing Banks under the Credit Agreement.

6.3 Release of and Resort to Collateral. To the fullest extent permitted by law, Mortgagee may release, regardless of consideration, any part of the Mortgaged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interest created in or evidenced by the Loan Documents or their stature as a first and prior lien and security interest in and to the Mortgaged Property. For payment of the Obligations, to the fullest extent permitted by applicable Legal Requirements, Mortgagee may resort to any other security therefor held by Mortgagee in such order and manner as Mortgagee may elect.

6.4 Waivers. To the fullest extent permitted by applicable Legal Requirements, Mortgagor hereby irrevocably and unconditionally WAIVES and RELEASES (a) all benefits that might accrue to Mortgagor by virtue of any present or future law exempting the Mortgaged Property from attachment, levy or sale on execution or providing for any appraisal, valuation, homestead exemption, stay of execution, exemption from civil process, redemption or extension of time for payment; (b) except as otherwise provided in the Loan Documents, all notices of any demand, Event of Default, intent to accelerate or acceleration or the election by Mortgagee, to exercise or the actual exercise of any right, remedy or recourse provided for under the Loan Documents; (c) any right to a marshalling of assets or a sale in inverse order of alienation; (d) any restrictions or conditions upon the exercise by Mortgagee of the remedies set forth in Section 6.1; and (e) any equity of redemption, statutory right of redemption and all other rights and exemptions of every kind.

6.5 Discontinuance of Proceedings. To the extent permitted by applicable Legal Requirements, in case Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted under the Credit Agreement or the Loan Documents and shall thereafter elect to discontinue or abandon same for any reason, Mortgagee shall have the unqualified right so to do and in such an event, Mortgagor and Mortgagee shall be restored to their former positions with respect to the Loan Documents, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee shall continue as if same had never been invoked.

6.6 Application of Proceeds. (a) To the extent permitted by applicable Legal Requirements, all proceeds received from the sale or other dispositions of the Mortgaged Property pursuant to this Mortgage shall be applied by the Mortgagee, in accordance with the following priorities:

First: to the costs and Expense of the sale, including title and abstracting charges, reasonable attorneys' fees and a reasonable auctioneer's fee if such Expense has been incurred;

Second: to the satisfaction of the Obligations in the manner provided in the Credit Agreement and the Loan Documents; and

Third: to the payment to whomsoever shall be entitled thereto under applicable Legal Requirements, assuming the person who made the sale knows who is entitled thereto. Otherwise, the surplus shall be paid to the clerk of the superior, district, or circuit court (or other court having jurisdiction) of the county where the sale was had.

(b) If the Mortgagee shall be ordered, in connection with any bankruptcy, insolvency or reorganization of Mortgagor, to restore or repay to or for the account of Mortgagor or its creditors any amount theretofore received under this Section, the amount for such restoration or repayment shall be deemed to be an Obligation so as to place the Mortgagee in the position he would have been in had such amount never been received by the party hereto.

6.7 Cooperation. If an Event of Default shall occur and be continuing, Mortgagor will use its best efforts to cooperate with Mortgagee and promptly do all things reasonably required of it toward obtaining all necessary authority and permission from any Governmental Authority or otherwise to accomplish any disposition, abandonment or change in use of the Mortgaged Property (or any portion thereof) as Mortgagee may request in connection with the exercise of its rights and powers hereunder and under the Credit Agreement or the other Loan Documents. Without limiting the generality of the foregoing, following an Event of Default and reasonable advance notice to Mortgagor, Mortgagor agrees to relocate operations located on the Mortgaged Property to accommodate the disposition, abandonment, change in use or foreclosure by Mortgagee of any portion thereof, provided that such relocation does not materially violate any Legal Requirement applicable to Mortgagor or the Mortgaged Property.

## ARTICLE 7

### CONDEMNATION

7.1 General. Promptly following the date on which an executive officer of Mortgagor obtains knowledge of the institution or the threatened institution of any proceeding for the condemnation of all or any portion of the Mortgaged Property, Mortgagor shall notify Mortgagee of such fact. Mortgagor shall then, unless Mortgagee waives this requirement, file or defend its claim in respect of such proceeding and prosecute same with due diligence to its final disposition and shall cause any awards or settlements to be paid over directly to Mortgagee for disposition pursuant to the terms of this Mortgage. Mortgagor may be the nominal party in such proceeding but Mortgagee shall be entitled to participate in same and to be represented therein by counsel of its own choice, and Mortgagor will deliver or cause to be delivered to Mortgagee such instruments as may be reasonably requested by it from time to time to permit such participation. If the aggregate value of the condemned portion of the Mortgaged Property would exceed \$100,000.00, Mortgagee also shall be entitled to control the condemnation proceedings. If all or any portion of the Mortgaged Property is taken or diminished in value, or if a consent settlement is entered, by or under threat of such proceeding, the award or settlement payable to Mortgagor by virtue of its

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interest in such Mortgaged Property shall be transferred and set over unto Mortgagee to be applied to the Obligations.

7.2 Application of Proceeds. All proceeds received by Mortgagee with respect to a taking or a diminution in value of all or any portion of the Mortgaged Property shall be retained by or paid over to Mortgagee, as applicable, and shall be applied to the payment of the Obligations as set forth in the Credit Agreement, subject to deduction from such proceeds by Mortgagee of its Expenses incurred in connection with the condemnation proceedings, the Mortgagee's review process and other actions in connection therewith. The foregoing provision shall apply regardless of whether notice of such condemnation was required to be given by Mortgagor to Mortgagee pursuant to Section 7.1.

## ARTICLE 8

### ASSIGNMENT OF LEASES AND RENTS

8.1 Assignment. Subject to the terms and conditions hereinafter set forth, Mortgagor as debtor does hereby irrevocably transfer, assign and deliver unto Mortgagee, for its benefit and the ratable benefit of the Lenders and Issuing Banks, as security for the payment and performance of the Obligations, and grant a security interest in, all of the right, title and interest of Mortgagor in and to all of the following:

- (a) The Leases;
- (b) The Rents; and
- (c) The Fixtures.

This assignment of rentals and any other assignments required by the provisions hereof shall terminate and become null and void upon release of this Mortgage.

8.2 Collection of Rents. Mortgagor does hereby authorize and empower Mortgagee to collect the Rents as the same shall become due, and does hereby irrevocably direct each and any of the lessees, sublessees, licensees, or other occupants of the Mortgaged Property to pay to Mortgagee, upon demand by Mortgagee, the Rents, provided, however, that no such demand shall be made by Mortgagee unless and until an Event of Default has occurred and is continuing, and that, until such demand is made, Mortgagor shall be authorized to collect or continue to collect the Rents.

8.3 Mortgagee's Powers of Attorney. Mortgagor does hereby irrevocably constitute and appoint Mortgagee, while this Mortgage remains in force and effect, its true and lawful attorney-in-fact, coupled with an interest and with full power of substitution, delegation and revocation, for Mortgagor and in its name, place and stead, to enter and take possession of the Mortgaged Property by actual physical possession without the commencement of any action to foreclose this Mortgage or to exercise any power of sale Mortgagee may have hereunder and to do and perform any or all of the following actions, as fully as Mortgagor could do if personally present, hereby ratifying and confirming all that

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Mortgagee, as attorney or its substitute, shall lawfully do or cause to be done by virtue hereof:

(a) to enter into subordination and non-disturbance agreements with respect to any Leases or with any of the lessees under any of the Leases;

(b) to demand, collect, sue for, attach, levy recover, receive, compromise and adjust, and make, execute and deliver receipts, releases, discharges or other instruments for all Rents, issues, and other amounts that may thereafter become due, owing or payable with respect to the Mortgaged Property or any part thereof from any present or future lessees, sublessees, licensees or other occupants thereof;

(c) to institute, prosecute to completion, or compromise and settle, all summary proceedings, actions for rent or for removing any and all lessees, sublessees, licensees for other occupants of the Mortgaged Property or any part or parts thereof;

(d) to enforce or enjoin or restrain the violation of any of the terms, provisions and conditions of any of the Leases;

(e) to pay, from and out of any Rents and issues collected in respect of the Mortgaged Property or any part thereof, or from or out of any other funds, any taxes, assessments, water rates, sewer rates, or other government charges levied, assessed, or imposed against the Mortgaged Property, or any portion thereof, and also any and all other charges, costs and Expenses which it may be reasonably necessary or advisable for Mortgagee to pay in the management or operation of the Mortgaged Property, including commissions for renting the Mortgaged Property or any portion thereof, management and consulting fees, and legal Expenses incurred in enforcing claims, drafting and negotiating documents or for any other services that may be required;

(f) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipt for moneys due and to become due under or in respect of any of the Fixtures;

(g) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (f) above;

(h) to file any claims or take any action or institute any proceedings which the Mortgagee may deem necessary or desirable for the collection of all of the Fixtures or otherwise to enforce the right of the Mortgagee with respect to any of the Fixtures, including without limitation the execution, delivery, and filing of financing statements, continuation statements, affidavits or other security instruments, and agreements necessary to perfect, confirm and continue in effect the lien of this Mortgage with respect to the Leases, the Rents, and the Fixtures; and

(i) to generally do, execute, and perform any other act, deed, matter or thing whatsoever that otherwise needs to be done, executed and performed in and about or respect

to the Mortgaged Property, the Leases and the Fixtures, as fully as Mortgagor might do, provided, however, that this Assignment shall not operate to place upon Mortgagee any responsibility or obligation to take any of the above actions or any action whatsoever with respect to the operation, control, care, management or repair of the Mortgaged Property and that any action taken or failure or refusal to by Mortgagee under this Assignment shall be at Mortgagee's election and without any liability on its part.

8.4 Mortgagor Remains Liable. Anything herein to the contrary notwithstanding,

(a) Mortgagor shall remain liable under the Leases to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Mortgage had not been executed;

(b) the exercise by the Mortgagee of any of the rights hereunder shall not release the Mortgagor from any of its duties or obligations under any of the Leases; and

(c) the Mortgagee shall not have any obligation or liability under any of the Leases to any person or entity under this Mortgage nor shall the Mortgagee be obligated to perform any of the obligations or duties of the Mortgagor thereunder or to take any action to collect or enforce any claims thereunder.

8.5 Mortgagor's Representations and Warranties. In addition to the representations and warranties set forth in Article 4 of the Credit Agreement, Mortgagor represents and warrants that:

(a) No Rents, nor any part thereof becoming due subsequent to the date hereof, have been collected with respect to the Leases (excepting an amount not exceeding one month's installment under the Leases), nor has payment of any of the same been anticipated, waived, released, discounted or otherwise discharged or compromised; and

(b) Each of the Leases described in Section 4.10 hereof, as amended to the date of execution and delivery hereof, true and complete copies of which have been delivered to the Mortgagee, has been duly authorized, executed and delivered by Mortgagor (and to Mortgagor's knowledge all other parties thereto) and are in full force and effect and binding upon and enforceable against Mortgagor and, to Mortgagor's knowledge, against the other parties thereto, in accordance with its terms. No event has occurred and is continuing or will occur as a result of the performance of this Mortgage, that constitutes or would constitute any material event of default under any of the Leases or would constitute such an event of default but for the requirement that notice be given or time lapse or both.

8.6 Mortgagor's Covenants. Mortgagor covenants and agrees with respect to the Leases described in Section 4.10 hereof that:

(a) It will perform and observe each of its material obligations under the terms of the Leases or hereafter in effect (except when the amount or validity of such obligations

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is being contested in good faith) and use best efforts to cause the other party thereto to comply with their obligations thereunder;

(b) It will, upon the reasonable written request by Mortgagee, while this Assignment remains in force and effect, serve written notices of this Assignment upon any lessor or lessee, sublessee, licensee, or other occupant of any portion of the Mortgaged Property or include among the written provisions of any instrument hereafter creating any such lease, sublease, license, or right of occupancy specific reference to this Assignment, and make, execute and deliver all powers of attorney or instrument or pledge or assignment, and such other instrument or documents as Mortgagee may reasonably request at any time for the purpose of securing its rights hereunder;

(c) It will promptly furnish to Mortgagee, promptly following demand, true copies of all Leases, hereafter executed and true copies of each agreement letter effecting the renewal, amendment or modification of any Lease; and in each case after request by the Mortgagee, furnish to the Mortgagee promptly following receipt thereof copies of all notices, requests and other documents received by the Mortgagor under or pursuant to the Leases during the term of each of the Leases and from time to time (A) furnish to Mortgagee such information and reports regarding the Leases as the Mortgagee may reasonably request, and (B) promptly following request of the Mortgagee make such demands and requests for information or action upon such person, firm, corporation, or other entity as the Mortgagor is entitled to make under the Leases;

8.7 Effect of Releases of Mortgaged Property. The Mortgagor hereby consents to, and hereby agrees that the rights of Mortgagee and the security interests hereunder, and the obligations of the Mortgagor hereunder, to the fullest extent permitted by applicable Legal Requirements, shall not be affected by any and all releases of any of the Mortgaged Property from the liens or security interests created by this Mortgage or otherwise, whether for purposes of sales or other dispositions of assets or for some other purpose, except to the extent expressly provided herein, any agreement extending the time or otherwise altering the terms of payment of all or any part of the Indebtedness secured hereby, or subordinating, modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof, each such agreement to be in writing to be binding and effective, by exercising or refraining from exercising or waiving any right Mortgagee may have hereunder, or by accepting additional security of any kind or additional parties to the Indebtedness secured hereby or instruments creating or evidencing such.

8.8 Hold Harmless. Mortgagor hereby agrees to indemnify and hold Mortgagee harmless (a) against and from any and all liability, loss, damage and Expense, including reasonable attorneys' fees, which it may or shall incur under or in connection with the exercise by Mortgagee of its rights hereunder in respect of any of the Leases, or by reason of any action taken or Expenses paid or incurred by Mortgagee under and in accordance with the terms of this Assignment and (b) against and from any and all claims and demands whatsoever which may be asserted against Mortgagor by reason of any alleged obligations or undertaking on its part to perform or discharge any of the terms, covenants and conditions contained in any of the Leases; provided that Mortgagor shall not be liable for any portion



of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits costs, Expenses or disbursements resulting from Mortgagee's, gross negligence or willful misconduct. Should Mortgagee pay or incur any such liability, loss, damage or Expense, the amount thereof, together with interest thereon from the date of such payment at the Default Rate, shall be payable by Mortgagor to Mortgagee, immediately upon demand therefor; and until so paid by Mortgagor, all sums so expended by Mortgagee, and interest thereon, shall be added to the Obligations secured by the lien and legal operation and effect of this Mortgage. At its option, Mortgagee, may reimburse itself therefor out of any Rents which it has collected or may collect.

## ARTICLE 9

INTENTIONALLY OMITTED

## ARTICLE 10

### MISCELLANEOUS

10.1 Performance at Mortgagor's Expense. The cost and expense of performing or complying with any and all of the Obligations shall be borne solely by Mortgagor, and no portion of such cost and expense shall be, in any way or to any extent, credited against any installment on or portion of the Indebtedness which may be payable by Mortgagor pursuant to the Credit Agreement and the other Loan Documents.

10.2 Survival of Obligations. Each and all of the Obligations survive the execution and delivery of the Loan Documents and the consummation of the loans called for therein and shall continue in full force and effect with respect to Mortgagor until the Obligations shall have been satisfied in full.

10.3 Further Assurances. Mortgagor, upon the request of Mortgagee, will execute, acknowledge, and record and/or file such further instruments and do such further acts as may be reasonably necessary, desirable or proper to carry out more effectively the purpose of the Loan Documents and to subject to the liens and security interests thereof any property intended by the terms thereof to be covered thereby, including specifically but without limitation, any renewals, additions, substitutions, replacements, betterments or appurtenances to the then Mortgaged Property.

10.4 Recording and Filing. Mortgagor will cause this Mortgage and all amendments and supplements thereto and supplements therefor to be recorded, filed, re-recorded and refiled in such manner and in such places as Mortgagee shall reasonably request, and will pay all such recording, filing, re-recording and re-filing taxes, fees and other charges.

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10.5 Notices. All notices and other communications provided for hereunder shall be in writing (including telegraphic, telex or cable communication) and mailed, telegraphed, telexed, cabled or delivered:

If to the Mortgagor: Zenith Electronics Corporation  
1000 Milwaukee Avenue  
Glenview, Illinois 60025  
Attn: Manager Banking and Finance  
Telecopy No. (847)391-8876

with a copy to: Zenith Electronics Corporation  
1000 Milwaukee Avenue  
Glenview, Illinois 60025  
Attn: General Counsel  
Telecopy No. (847)391-8876

and Kirkland & Ellis  
200 East Randolph Drive  
Chicago, Illinois 60601  
Attn: James H.M. Sprayregen, Esq.  
Telecopy No. (312) 861-2200

If to the Mortgagee: Citicorp North America, Inc.  
399 Park Avenue  
6th Floor, Zone 4  
New York, New York 10043  
Attention: Mr. Thomas M. Halsch  
Telecopy No. (212)793-1290

with a copy to: Jesse H. Austin, III, Esq.  
Paul, Hastings, Janofsky & Walker  
600 Peachtree Street, N.E.  
Suite 2400  
Atlanta, Georgia 30308  
Telecopy No. (404)815-2424

or at such other address as shall be designated by such party in a written notice to the other. All such notices and communications shall, whether mailed, telegraphed, telexed or cabled, be effective when received, delivered to the telegraph company, confirmed telex answerback or delivered to the cable company, respectively, or two (2) business days after being deposited in the mails, respectively.

10.6 No Waiver; Remedies. The Mortgagee's failure at any time or times hereafter, to require strict performance by the Mortgagor of any provision of this Mortgage shall not waive, affect or diminish any right of the Mortgagee, thereafter to demand strict compliance and performance therewith, and the Mortgagee's single or partial exercise of any right,

remedy, power or privilege hereunder shall not preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights, remedies, powers or privileges herein provided are cumulative and not exclusive of any rights, remedies, powers or privileges provided by applicable Legal Requirements. Any suspension or waiver of the Mortgagee of a default by the Mortgagor under this Mortgage, the Credit Agreement or under any of the other Loan Documents shall not suspend, waive or affect any other default thereunder, whether the same is prior or subsequent thereto and whether of the same or of a different kind of character. None of the undertakings, agreements, warranties, covenants and representations of the Mortgagor contained in this Mortgage and no default by the Mortgagor under this Mortgage shall be deemed to have been suspended or waived unless suspension or waiver is in writing signed by an officer of the Mortgagee, and directed to the Mortgagor specifying the suspension or waiver.

10.7 Mortgagee's Right to Perform the Obligations. If Mortgagor shall fail, refuse or neglect to make any payments or perform any act required of it by the Mortgage (including the Mortgagor's obligation under Section 4.3 hereof to defend the first lien status of this Mortgage), at any time thereafter, upon reasonable notice to Mortgagor and without waiving or releasing any other right, remedy or recourse, Mortgagee may have because of same, Mortgagee may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Mortgagor, and shall have the right to enter upon or in the Land and Buildings for such purpose and to take all such action thereon and with respect to the Mortgaged Property it may deem reasonably necessary or appropriate. In its exercise of its rights under this Section 10.7, if Mortgagee shall elect to pay any Imposition or other sums due with reference to the Mortgaged Property, Mortgagee may do so in reliance on any bill, statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof subject to any other applicable terms and provisions set forth herein. Similarly, in making any payments to protect the security intended to be created by the Loan Documents, Mortgagee shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same subject to any other applicable terms and provisions set forth herein. Mortgagee shall not make any such advance for so long as Mortgagor is validly contesting such title, lien, encumbrance, claim or charge as provided in Sections 4.2 and 4.4. Mortgagor shall indemnify Mortgagee for all losses, Expenses, damage, claims and causes of action, including reasonable attorneys' fees, incurred or accruing by reason of any acts performed by Mortgagee pursuant to the provisions of this Section 10.7. All sums paid by Mortgagee pursuant to this Section 10.7 and all other sums expended by Mortgagee to which it shall be entitled to be indemnified, together with interest thereon at the Default Rate from the date of such payment or expenditure, shall constitute additions to the Obligations, and shall be secured by the Loan Documents and Mortgagor covenants and agrees to pay them to the order of Mortgagee upon demand.

10.8 Covenants Running with the Land. All Obligations are intended by the parties to be, and shall be construed as, covenants running with the Mortgaged Property until such Mortgaged Property has been released from the lien of this Mortgage.

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10.9 Successors and Assigns. All of the terms of this Mortgage shall apply to, be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10.10 Severability. This Mortgage is intended to be performed in accordance with, and only to the extent permitted by, applicable Legal Requirements. If any provision of any of this Mortgage or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, then neither the remainder of this Mortgage nor the application of such provision to other persons or circumstances nor the other instruments referred to hereinabove shall be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

10.11 Entire Agreement and Modification, No Oral Changes. The Credit Agreement, this Mortgage and the other Loan Documents contain the entire agreement between the parties relating to the subject matter hereof and thereof and all prior agreements relative thereto which are not contained herein or therein are terminated. This Mortgage may not be amended, revised, waived, discharged, released or terminated orally but only by a written instrument or instruments executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted. Any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party.

10.12 APPLICABLE LAW; KNOWLEDGEABLE MORTGAGOR. THE PARTIES TO THIS MORTGAGE AGREE THAT THEIR RIGHTS AND OBLIGATIONS UNDER THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE. THE PARTIES FURTHER AGREE THAT:

(A) THE PROCEDURES GOVERNING THE ENFORCEMENT BY MORTGAGEE, OF THE PROVISIONAL REMEDIES AGAINST MORTGAGOR, INCLUDING WITHOUT LIMITATION, ACTIONS FOR REPLEVIN, FOR CLAIM AND DELIVERY OF PROPERTY, FOR INJUNCTIVE RELIEF OR FOR APPOINTMENT OF A RECEIVER AND THE REQUIREMENTS NECESSARY TO CREATE OR GRANT, PERFECT OR FORECLOSE, OR DETERMINE THE PRIORITY OF, THE LIEN AND SECURITY INTEREST OF THIS MORTGAGE, SHALL BE GOVERNED BY THE LAWS OF THE STATE;

(B) MORTGAGEE SHALL COMPLY WITH APPLICABLE LAW OF THE STATE, TO THE EXTENT REQUIRED IN CONNECTION WITH THE POWER OF SALE OR THE FORECLOSURE OF THE SECURITY INTERESTS AND LIENS CREATED HEREBY. THE PARTIES FURTHER AGREE THAT MORTGAGEE MAY ENFORCE ITS RIGHTS UNDER THIS MORTGAGE, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, ITS RIGHTS TO SUE MORTGAGOR TO COLLECT ANY OUTSTANDING INDEBTEDNESS OR TO OBTAIN JUDGMENT FOR ANY DEFICIENCY FOLLOWING FORECLOSURE, IN ACCORDANCE WITH THE LAWS OF THE STATE.

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(C) MORTGAGOR HEREBY ACKNOWLEDGES, WARRANTS AND REPRESENTS THAT IT IS SOPHISTICATED, KNOWLEDGEABLE AND EXPERIENCED IN COMMERCIAL TRANSACTIONS SIMILAR TO THE TRANSACTION EMBODIED IN THIS MORTGAGE, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS; IT HAS BEEN FULLY, COMPLETELY AND ADEQUATELY REPRESENTED AND ADVISED BY COMPETENT COUNSEL AND OTHER CONSULTANTS RETAINED FOR SUCH PURPOSES IN CONNECTION WITH ALL ASPECTS (INCLUDING BUSINESS AND LEGAL) OF THE TRANSACTIONS UNDER THIS MORTGAGE AND THE LOAN DOCUMENTS; AND ALL PARTIES TO SUCH TRANSACTION HAVE EQUAL BARGAINING STRENGTH.

10.13 No Partnership; Control in Mortgagor. Except to the extent occurring as a matter of law (a) nothing contained in this Mortgage is intended to, or shall be construed as, creating to any extent and in any manner whatsoever, any partnership, joint venture, or association between Mortgagor and Mortgagee, or in any way make Mortgagee co-principals with Mortgagor with reference to all or any portion of the Mortgaged Property, and any inferences to the contrary, are hereby expressly negated; and (b) notwithstanding anything contained herein which may be to the contrary, this Mortgage, the Loan Documents, any agreement, mortgage or other document referred to herein by reference, whether specifically or generally, and the transactions contemplated hereby do not and will not constitute or create indirect, actual or practical ownership of the Mortgaged Property or of Mortgagor by Mortgagee, or control, affirmative or negative, direct or indirect, by Mortgagee over the programming, management, or any other aspect of the day-to-day operation of the Mortgaged Property or Mortgagor, which control remains in Mortgagor, its shareholders and board of directors.

10.14 Headings. The Article, Section and Subsection titles hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such Articles, Sections or Subsections.

10.15 Hold Harmless. Mortgagee shall not be obligated to perform or discharge, nor does it hereto undertake to perform or discharge, any obligation, duty or liability with respect to the Mortgaged Property or the Leases under or by reason of this Mortgage or any of the Loan Documents, and Mortgagor shall and does hereby agree to indemnify Mortgagee, for and to hold Mortgagee harmless from any and all liability, loss or damage which it may or might incur with respect to the Mortgaged Property, the Leases or under or by reason of this Mortgage or any of the Loan Documents and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, agreements relating to the Mortgaged Property; provided, that Mortgagor shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions judgment, suits costs, Expenses or disbursements resulting from Mortgagee's, gross negligence or willful misconduct. Should Mortgagee incur any such liability, loss or damage, the amount thereof, including all reasonable attorneys' fees and reasonable costs and Expenses associated with actions taken by Mortgagee in defense thereof, or otherwise in protecting its interest

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hereunder, shall be secured hereby, and Mortgagor covenants and agrees to reimburse Mortgagee therefor immediately upon demand.

10.16 Pronouns and Plurals. All pronouns used herein shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the context may require, and the singular form of nouns, pronouns and verbs shall include plural, and vice versa, whichever the context may require.

10.17 Waiver of Trial by Jury. To the extent permitted under the laws of the State, Mortgagor and the Mortgagee each hereby waives and shall waive trial by jury in any action, proceeding or counterclaim arising out of or relating to this Mortgage.

10.18 Assignment. Mortgagee may assign or transfer all or any portion of its rights under this Mortgage.

10.19 No Merger. So long as this Mortgage is an encumbrance upon the Mortgaged Property, there shall be no merger of the interest of any lessor or any lessee under any Lease or sublease.

10.20 Enforceability of Lien. In the event that any part of the Obligations cannot be lawfully secured by this Mortgage, or the lien or security interest hereof cannot be lawfully enforced to pay any part of the Obligations, then and in either such event, at the option of Mortgagee, all payments on the Obligations shall be deemed to have been first applied against the unsecured part of the Obligations.

10.21 Knowledge. Whenever referenced in this Mortgage, the "knowledge" or "best knowledge" of Mortgagor shall include the knowledge of its parent corporations, if any, and its Subsidiaries, as defined in the Credit Agreement, if any.

10.22 Best Efforts. Whenever referenced in this Mortgage, the term "best efforts" shall not be interpreted as requiring the expenditure of unreasonable sums of money, in view of the objectives sought.

10.23 Illegality. In the event that any provision or clause of this Mortgage conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage which can be given effect without the conflicting provision, and to this end, the provisions of this Mortgage and the Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Mortgagor is interpreted so that any charge for which provision is made in this Mortgage or in the Note, whether considered separately or together with other charges permitted to be collected from Mortgagor, is interpreted so that any such charge, whether considered separately or together with other charges that are considered a part of the transaction represented by this Mortgage and the Note, violates such law, and Mortgagor is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Mortgagee in excess of the amounts payable to Mortgagee pursuant to such charges as reduced shall be applied by Mortgagee to reduce the principal of the

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indebtedness evidenced by the Note. To the extent United States federal law permits Mortgagee to contract for, charge or receive a greater amount of interest, Mortgagee will rely on United States federal law for the purpose of determining the Maximum Rate. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Mortgagee to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration.

10.24 THE MORTGAGED PROPERTY IS NOT USED PRINCIPALLY OR PRIMARILY FOR AGRICULTURAL OR FARMING PURPOSES.

10.25 Mortgagor hereby acknowledges that it has received a copy of this Mortgage free of charge.

{Signatures begin on Page 31}

IN WITNESS AND TESTIMONY WHEREOF, THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS ,AND SECURITY AGREEMENT has been duly executed and delivered by Mortgagor and its corporate seal to be hereunto affixed, by its proper officers hereunto duly authorized as of the date and year first above written and Mortgagor accepts and agrees to the terms and covenants contained herein.

MORTGAGOR:

Signed, sealed and delivered in the presence of:

ZENITH ELECTRONICS CORPORATION,  
a Delaware corporation

Stephanie G. Jordan  
Witness Signature

By: Michael J. Samuels  
Printed Name: Michael J. SAMUELS  
Title: Treasurer  
Social Security #: 349-52-8775

Stephanie G. Jordan  
Printed Name

Attest: [Signature]  
Printed Name: Beverly H. [Signature]  
Title: Assistant Secretary  
Social Security #: 571 883608

Stephanie G. Jordan  
Witness Signature

Stephanie G. Jordan  
Printed Name

[CORPORATE SEAL]



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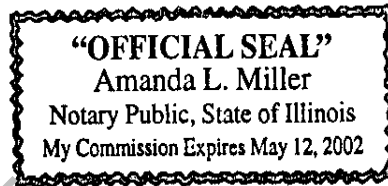
THE STATE OF Illinois )  
  )     ss.  
Cook County,                    )

I, Amanda L. Miller, a Notary Public in and for said county and state, do hereby certify that Michael J. Samuels, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 9<sup>TH</sup> day of November, 1999.

My Commission Expires: May 12, 2002

Amanda L. Miller  
Notary Public



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## EXHIBIT "A"

### Legal Description

#### Illinois Property:

2407 W. North Avenue  
Melrose Park, Cook County, Illinois

The West 570 feet of that part of the South West fractional quarter, South of the Indian Boundary Line of Section 34 Township 40 North, Range 12, East of the Third Principal Meridian, lying South of the South Easterly right of way line of the Indiana Harbor Belt Railroad Company and North of the North line of right of way of West North Avenue as widened, described as follows:

Beginning at the intersection of the West line of said South West fractional quarter and North line of right of way of West North Avenue, said point being 102.43 feet North of South West corner of said South West fractional quarter, thence North along West line of said South West fractional quarter 1342.37 feet to intersection of said line with South Easterly right of way line of the Indiana Harbor Belt Railroad Company, said point being 342.74 feet South of Indian Boundary Line; thence North Easterly along South Easterly right of way line of said Railroad along a line forming an angle of 136 degrees 30 minutes 52 seconds from South to East to North with West line of said South West fractional quarter 828.28 feet to intersection of said right of way line with East line of West 570 feet of said South West fractional quarter; thence South along a line 570 feet East of and parallel with West line of said South West fractional quarter 1945.14 feet to intersection of said parallel line with North line of right of way of West North Avenue, said point being 102.78 feet North of South line of said South West fractional quarter; thence West along the North right of way line of West North Avenue 570 feet to place of beginning, in Cook County, Illinois.

Permanent Tax Nos. 12-34-300-004; 12-34-304-002

ADDRESS: 2407 W. NORTH AVE. MELROSE PARK

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## EXHIBIT "B"

### Attornment Provisions

"The lessee covenants and agrees that if, by reason of default under any mortgage which may now or hereafter affect the land and/or building of which the premises that is the subject of this Lease forms a part (the "Mortgaged Property") (including, without limitation, the Mortgage, Assignment of Leases and Rents and Fsecurity Agreement (the "Mortgage"), dated as of November 9<sup>th</sup>, 1999 between the landlord hereunder or a predecessor in title or interest, as Mortgagor and Citicorp North America, Inc. for itself and as agent, as Mortgagee, and any amendments, supplements or modifications thereof, the mortgagee thereunder enters into and becomes possessed of the Mortgaged Property either through possession or foreclosure action or proceeding, or in the event of the sale of the said Mortgaged Property as a result of any action or proceeding to foreclose said mortgage, the tenant will attorn to the mortgagee or such then owner and will recognize the mortgagee or such then owner as its landlord under this Lease. The lessee agrees to execute and deliver, at any time and from time to time, upon the request of the mortgagee or the then owner of the Mortgaged Property, any reasonable instrument which may be necessary or appropriate to evidence such attornment. The lessee further waives the provision of any statute or rule of law now or hereafter in effect which may give or purport to give the lessee any right of election to terminate this Lease or to surrender possession of the premises that is the subject of this Lease in the event any proceeding is brought by the mortgagee under any such mortgage to terminate the same."