

Illinois Anti-Predatory
Lending Database
Program

Doc#: 1934040033 Fee: \$98.00
Edward M. Moody
Cook County Recorder of Deeds
Date: 12/06/2019 12:00 PM Pg: 1 of 46

Certificate of Exemption



Report Mortgage Fraud
844-768-1713

The property identified as: PIN: 11-18-117-005-0000

Address:

Street: 1818 Maple Avenue

Street line 2:

City: Evanston

State: IL

ZIP Code: 60201

Lender: Wells Fargo Bank

Borrower: MHF EVANSTON V LLC and MHF EVANSTON OPERATING V LLC

Loan / Mortgage Amount: \$152,000,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is government property.

Certificate number: 65DED5B5-C1AE-4B0F-94F0-419EE9DEFE5E

Execution date: 12/4/2019

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PREPARED BY:

David E. Woods
Jones Day
77 West Wacker
Chicago, Illinois 60601

WHEN RECORDED RETURN TO:

Wells Fargo Bank, National Association
Hospitality Finance Group
301 South College Street, 4th Floor
Charlotte, NC 28202
Attention: Katherine Vlaich
Loan Number: 1019382

THIS INSTRUMENT COVERS GOODS THAT ARE OR WILL BECOME FIXTURES ON THE DESCRIBED REAL PROPERTY AND SHOULD BE FILED FOR RECORD IN THE REAL PROPERTY RECORDS WHERE MORTGAGES ON REAL ESTATE ARE RECORDED. THIS INSTRUMENT SHOULD ALSO BE INDEXED AS A UNIFORM COMMERCIAL CODE FINANCING STATEMENT COVERING GOODS THAT ARE OR WILL BECOME FIXTURES ON THE DESCRIBED REAL PROPERTY, THE MAILING ADDRESSES OF THE SECURED PARTY AND THE DEBTOR ARE WITHIN.

THIS MORTGAGE SECURES A NOTE WHICH PROVIDES FOR A VARIABLE RATE OF INTEREST.

Loan Number 1019382

**FEE AND LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT, AND FIXTURE FILING**

THIS FEE AND LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, AND FIXTURE FILING (this "**Mortgage**") is dated as of the 4th day of December, 2019, by **MHF EVANSTON V LLC**, a Delaware limited liability company, having its principal place of business at c/o Magna Hospitality Group, 300 Centerville Road, Suite 300 East, Warwick, RI 02886 (hereinafter referred to as "**Borrower**"), and by **MHF EVANSTON OPERATING V LLC**, a Delaware limited liability company, having its principal place of business at c/o Magna Hospitality Group, 300 Centerville Road, Suite 300 East, Warwick, RI 02886 (hereinafter referred to as "**Operating Lessee**"), and collectively with Borrower, "**Mortgagors**" in favor of **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of

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America, whose mailing address is 1750 H Street NW, Suite 550, Washington, DC 20006 (“hereinafter referred to as “**Mortgagee**”).

Recitals:

A. WHEREAS, Borrower is the owner of (i) a fee estate in the premises located at and known as 1818 Maple Avenue, Evanston, Cook County, Illinois, and (ii) a leasehold estate in certain premises located in Evanston, Cook County, Illinois, created pursuant to that certain Amended and Restated Hotel Parking Lease dated January 26, 2000, by and between the City of Evanston (“**Parking Lessor**”) and AHC Evanston LLC (predecessor in interest to Operating Lessee), as evidenced by that certain Memorandum of Amended and Restated Hotel Parking Lease recorded June 13, 2000, as Document No. 00432327, with the Cook County Recorder of Deeds, and as assigned to Operating Lessee pursuant to that certain Assignment of Amended and Restated Hotel Parking Lease dated December 15, 2016, recorded on December 22, 2016, as Document No. 1635722024, with the Cook County Recorder of Deeds (as amended, restated or otherwise modified from time to time in accordance with the terms of this Mortgage and the Loan Agreement, the “**Parking Lease**”), as each are more particularly described in Exhibit “A” attached hereto;

B. WHEREAS, pursuant to the terms of a certain Loan Agreement (as may be amended, modified, extended, restated, supplemented and in effect from time to time, the “**Loan Agreement**”), dated as of the date hereof, by and among Borrower, Operating Lessee, MHF Denver V LLC, a Delaware limited liability company, MHF Denver Operating V LLC, a Delaware limited liability company, MHF Houston V LLC, a Delaware limited liability company, MHF Houston Operating V LLC, a Delaware limited liability company, MHF Tysons Corner V LLC, a Delaware limited liability company, MHF Tysons Corner Operating V LLC, a Delaware limited liability company, MHF West End V LLC, a Delaware limited liability company, MHF West End Operating V LLC, a Delaware limited liability company (individually and collectively, with each other Person from time to time that is a “Borrower” or an “Operating Lessee” pursuant to the terms of the Loan Agreement, including, to the extent applicable, MHF King Street V LLC, a Delaware limited liability company, MHF Baltimore DT V LLC, a Delaware limited liability company, MHF King Street Operating V LLC, a Delaware limited liability company, and MHF Baltimore DT Operating V LLC, a Delaware limited liability company, the “**Borrower Parties**”), and Mortgagee, Mortgagee has agreed to loan to Borrower Parties the maximum principal amount of up to One Hundred Fifty-Two Million and No/100 Dollars (\$152,000,000.00) (the “**Loan**”);

C. WHEREAS, Borrower and Operating Lessee have entered into that certain Lease Agreement, dated as of December 15, 2016, executed by Borrower, as landlord, and Operating Lessee, as tenant (as amended, restated or otherwise modified from time to time in accordance with the terms of this Mortgage and the Loan Agreement, the “**Operating Lease**”); and

D. WHEREAS, for the purposes of this Mortgage:

(i) Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to such terms in the Loan Agreement;

(ii) Wherever the term “**Note**” is used herein, it shall have the meaning of the term “**Note**” in the Loan Agreement;

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(iii) Wherever the term “**Loan Documents**” is used herein, it shall have the meaning of the term “**Loan Documents**” in the Loan Agreement;

(iv) Loan Documents shall also include the Derivative Contract (as defined below) and any contract or agreement governing or providing for Bank Product Debt (as defined below). As used herein, “**Derivative Contract**” shall have the meaning set forth in the Loan Agreement, including any separate interest rate cap or other interest rate hedging transaction entered into between Borrower Parties and Mortgagee, or any of Borrower Parties’ subsidiaries or Affiliates or their respective successors, including pursuant to an ISDA Master Agreement, schedule and confirmation; and “**Bank Product Debt**” shall mean indebtedness and other obligations owing to Mortgagee or an Affiliate of Mortgagee arising from cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer, automated clearing house transactions, controlled disbursement accounts and other cash management arrangements in the ordinary course of business;

(v) Each of Mortgagee, or any of its Affiliates that is counterparty under a Derivative Contract or the holder of Bank Product Debt, is a “**Beneficiary**” hereunder and, collectively, the “**Secured Parties**”; and

(vi) The Borrower Parties’ indebtedness and the other obligations owed by the Borrower Parties to Mortgagee under and pursuant to the Note, and the Borrower Parties’ obligations under and pursuant to, as applicable, the Loan Agreement, this Mortgage, any Derivative Contract, any Bank Product Debt or any other Loan Document including Future Advances (as defined below), as any and all are extended, renewed, modified, amended or supplemented at any time and from time to time, are collectively the “**Secured Obligations**”.

Grants and Agreements:

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into the operative provisions of this Mortgage by this reference and for good and other valuable consideration, receipt of which is hereby acknowledged, the parties hereto mutually covenant and agree as follows:

To secure the payment, performance and observance by the Borrower Parties of all of the Secured Obligations, as applicable, the Mortgagors do hereby execute and deliver this Mortgage and Mortgagors hereby grant, bargain, sell, mortgage and warrant, encumber, release, convey, assign, transfer, hypothecate, pledge and set over unto Mortgagee, its successors and assigns, for the benefit of the Secured Parties, forever, and transfer and grant to Mortgagee, its successors and assigns, for the benefit of the Secured Parties, forever, a security interest in all of the estate, title and interest of the Mortgagors, to the extent applicable, in and to the following, in each case, to the extent assignable and subject to the terms and conditions of the Loan Agreement:

1. The fee and leasehold estates of Mortgagors in the real estate located in Evanston, Cook County, Illinois, that is more particularly described in Exhibit “A” (the “**Real Estate**” or the “**Property**”) attached hereto and by reference made a part hereof,

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together with all present and future title, interests, estates and rights of the Mortgagors in and to the Real Estate and in and to lands lying in streets, alleys and roads adjoining the Real Estate, including but not limited to the interests, rights, and estates of the Mortgagors in the Real Estate created pursuant to the Operating Lease and the Parking Lease.

2. All buildings, structures, improvements, privileges and appurtenances belonging thereto now existing or hereafter constructed on the Real Estate.

3. All easements, rights, rights of way, streets, ways, alleys, sewer lines, water lines and all estates, rights, titles, interests, privileges, hereditaments, access rights and appurtenances whatsoever in any way relating to or appertaining to any of the property described in Exhibit "A", or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Mortgagors, and the reversion or reversions, remainder and remainders, rents, issues, profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of the Mortgagors in and to the same.

(Hereinafter the properties contained in the foregoing Paragraphs 1 through 3 shall collectively be referred to as the "**Mortgaged Premises**").

4. To the extent owned by the Mortgagors (and for the avoidance of doubt, excluding any personal property owned by the tenants, patrons or guests of the Property, Manager or Franchisor), all furniture, fixtures, appliances, machinery, equipment and all personal property and any replacements and proceeds and substitutions thereof, and now located thereon, attached to, or hereafter acquired or located thereon or attached thereto, and all lighting, heating, cooking, ventilating, air conditioning, incinerating, sprinkling and plumbing systems and all pipes, wires, attached fixtures and apparatus forming a part of or used in connection therewith, and all cooking appliances, cabinets, windows, doors and all wall to wall carpeting located on the Mortgaged Premises.

5. All judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Mortgaged Premises or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Mortgaged Premises or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including any award for change of grade or streets.

6. All goods, inventory, work in process, contract rights, cash, proceeds, profits, income, rents, issues, accounts, accounts receivable, general intangibles (including payment intangibles), fees, charges, lease agreements (including ground lease agreements), lease payments, chattel paper, documents, instruments, letter of credit rights, software, software included in any personal property (along with supporting information), investment property, commercial tort claims, insurance proceeds, deposit accounts and other accounts, logos, licenses, trademarks, and all trade name agreements, and all replacements and cash and non-cash proceeds relating thereto now owned or hereafter acquired by the Mortgagors, in connection with the Mortgaged Premises,

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including, but not limited to, all rents, income and profits arising from the operation of any business and all fees, revenues, charges, accounts or other payments for the use or occupancy of guest rooms, meeting rooms, recreational facilities and other public facilities in any hotel, motel, or other lodging properties located on the Real Estate (funds obtained as such rents, income, profits, fees, charges, accounts or other payments and held in any reserve, account or credit balance shall retain the character of such rents, income, profits, fees, charges, accounts or other payments) and all receivables, customer obligations, installment payment obligations, deposits securing reservations, license, lease and concession fees and vending machine sales. The foregoing shall also include all of Mortgagors' right, title and interest in and to all documents, instruments, chattel paper, claims, deposits and general intangibles, as the foregoing terms are defined in the Uniform Commercial Code (as defined below) in effect from time to time, and all contract rights, franchises, books, records, files, plans, specifications, permits, franchise agreements, licenses, approvals, actions and telephone numbers, which now or hereafter relate to, are derived from or used in connection with the Real Estate, in the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon.

7. [Reserved]

8. All present and future purchase and sale agreements for the sale of any portion of the Mortgaged Premises or other property located on the Mortgaged Premises.

9. All development rights and credits, and any and all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Mortgaged Premises; all water and water rights, wells and well rights, canals and canal rights, ditches and ditch rights, springs and spring rights, and reservoirs and reservoir rights appurtenant to or associated with the Mortgaged Premises, whether decreed or undecreed, tributary, non-tributary or not non-tributary, surface or underground or appropriated or unappropriated, and all shares of stock in water, ditch, lateral and canal companies, well permits and all other evidences of any of such rights; all deposits or other security now or hereafter made with or given to utility companies by the Mortgagors with respect to the Mortgaged Premises; all advance payments of insurance premiums made by the Mortgagors with respect to the Mortgaged Premises; all plans, drawings and specifications relating to the Mortgaged Premises; all loan funds held by Mortgagee, whether or not disbursed; all funds deposited with Mortgagee pursuant to any loan agreement; all reserves, deferred payments, deposits, accounts, refunds, cost savings and payments of any kind related to the Mortgaged Premises or any portion thereof; all of the Mortgagors' right, title and interest, now or hereafter acquired, to the payment of money from Mortgagee to the Mortgagors or either of them under any swap, derivative, foreign exchange or hedge transaction or arrangement (or similar transaction or arrangement howsoever described or defined) at any time entered into between the Mortgagors and Mortgagee in connection with the Loan, including, without limitation, the Derivative Contract.

10. All additions and accessions to, replacements and substitutions for, products of and proceeds from any of the foregoing.

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(Hereinafter the items set forth in the foregoing Paragraphs 4, 5, 6, 7, 8, 9 and 10 shall collectively be referred to as the “**Collateral**”, which term shall include, as to the Mortgagors, the Mortgagor Article 9 Collateral, defined below.)

It is understood and agreed by the parties that any assignment is intended to be and is an absolute assignment from Mortgagors to Mortgagee, and not merely the passing of a security interest; provided, however, that prior to an Event of Default, Mortgagors shall have a license, without joinder of Mortgagee, to enforce the leases and to collect the rents as they come due and to retain, use and enjoy the same. Mortgagors shall, upon request of Mortgagee, execute confirmatory assignments of any specific leases affecting any part of the Mortgaged Premises.

TO HAVE AND TO HOLD the Mortgaged Premises and Collateral, and all other properties hereinafter granted to Mortgagee, its successors and assigns, to its own proper use and benefit and the proper use and benefit of the other Secured Parties forever, subject however to the terms and conditions herein, and provided that the lien of this Mortgage shall be subject and subordinate to Parking Lessor’s estate in the portion of the Property demised pursuant to the Parking Lease.

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Mortgagors shall pay or cause to be paid to the Secured Parties the principal, interest and other charges provided in the Note and this Mortgage and the other Loan Documents, and shall pay and perform all of the other Secured Obligations at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by the Mortgagors, and Borrower shall keep, perform and observe all the covenants and promises in the Note and Mortgagors, as applicable, shall keep and perform and observe all the covenants and promises in this Mortgage expressed and the other Loan Documents to be kept, performed and observed, excluding any prior cured or waived failures to perform, then Mortgagee shall cause this Mortgage to be satisfied and released of record.

AND, the Mortgagors covenant and agree with Mortgagee and the other Secured Parties that:

ARTICLE I

PARTICULAR COVENANTS OF THE MORTGAGORS

1.1 Performance of the Note and Mortgage and the other Loan Documents. This Mortgage is given as security for the performance and observance of the covenants and agreements contained herein and in any other agreement executed by the Borrower Parties to Mortgagee in connection with any Secured Obligation, present and future, including but not limited to the principal of, interest on and other sums from time to time owing in connection with any present or future indebtedness and obligations of the Borrower Parties to the Secured Parties and the indebtedness evidenced by or arising in connection with the Loan, the Note and the other Loan Documents and any and all extensions, renewals, increases, modifications, amendments, restatements and replacements, as applicable, of any of the Secured Obligations. Subject to the terms hereof and of the other Loan Documents, the Borrower will perform, observe and comply with all provisions of the Note and the

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Mortgages will perform, observe and comply with all provisions of this Mortgage and the other Loan Documents, as applicable, secured hereby and will duly and timely pay, without relief from any valuation or appraisal law, to Mortgagee, for the benefit of the Secured Parties, the sums of money expressed in the Note with interest thereon at the applicable rate set forth in the Note and Mortgagors will duly and timely pay, without relief from any valuation and appraisal law, to Mortgagee, for the benefit of the Secured Parties, all other sums required to be paid by the Mortgagors pursuant to the other Secured Obligations, as applicable, all without any deductions or credit for taxes or other similar charges paid by the Mortgagors in accordance with the terms and conditions of the Loan Documents. Without limiting the generality of the foregoing, in the event that any Borrower Party and Mortgagee or any of Mortgagee's Affiliates, enter into any Derivative Contract, the Mortgagors, as applicable, shall be responsible for any and all obligations, contingent or otherwise, whether now existing or hereafter arising, of the Borrower Parties, as applicable, to Mortgagee, or to any of Mortgagee's Affiliates or successors arising under or in connection with any such Derivative Contract, all of which obligations shall be secured by this Mortgage and entitled to all of the benefits and protections afforded to Mortgagee under or pursuant to this Mortgage. The Mortgagors agree that for purposes of this Mortgage, any indebtedness and obligations which the Borrower Parties may have to any Affiliate of Mortgagee in connection with any Derivative Contract or any Bank Product Debt shall be deemed to be indebtedness and obligations owed directly to such Affiliate and shall be secured by this Mortgage and may be collected and recovered by Mortgagee, for the benefit of such Affiliate, in any action to enforce this Mortgage as if such indebtedness and obligations were directly owed to Mortgagee.

1.2 Warranties and Representations.

(a) The Mortgagors hereby covenant with and represent and warrant to the Secured Parties that (i) Borrower is indefeasibly seized of a fee simple interest in the Property; (ii) Operating Lessee is indefeasibly seized of a leasehold interest in the Property, which leasehold interest arises pursuant to the Operating Lease and the Parking Lease, as applicable, for a term of years set forth therein; (iii) the Mortgagors had and have full power and lawful right to convey the same as aforesaid; (iv) subject to applicable law and the terms hereof, Mortgagee shall have the right at all times while acting under or subject to Article III or Article IV hereof, peaceably and quietly to enter upon, hold, occupy and enjoy the Mortgaged Premises and every part thereof; (v) the Mortgagors will make such further assurances to perfect the leasehold interest in and to the Mortgaged Premises as may be reasonably requested by Mortgagee provided that such further assurances do not increase the Mortgagors' obligations or decrease any of their respective rights; (vi) the Mortgaged Premises is not subject to any lien, security interest or encumbrance in favor of any individual or private or governmental entity except for the lien of current taxes and assessments not delinquent, and the Permitted Exceptions; and (vii) the Mortgagors do hereby fully warrant respectfully the fee simple and leasehold titles to the Mortgaged Premises and every part thereof and will defend the same against the lawful claims of all persons whomsoever, except for the Permitted Exceptions.

(b) Borrower is a limited liability company organized and existing and in good standing under the laws of the State of Delaware, and that the exact legal name of

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Borrower is as set forth in the first paragraph of this Mortgage. Borrower's state organizational identification number is 6188447.

(c) Operating Lessee is a limited liability company organized and existing and in good standing under the laws of the State of Delaware, and that the exact legal name of Operating Lessee is as set forth in the first paragraph of this Mortgage. Operating Lessee's state organizational identification number is 6188471.

1.3 Real Estate Taxes, Assessments and Personal Property Taxes.

(a) [Reserved]

(b) Subject to and in accordance with the Loan Agreement generally and Section 8.18 of the Loan Agreement in particular, the Mortgagors shall pay prior to delinquency, all taxes, levies, charges and assessments which are now due or may hereafter be imposed or assessed against the Mortgaged Premises and the Collateral. Upon reasonable request, the Mortgagors will promptly send to Mortgagee receipts for the payment of all such taxes, levies, charges and assessments. Upon the failure of the Mortgagors to pay such taxes, levies, charges and assessments on or before the same become delinquent, Mortgagee shall have the option to pay and discharge the same without notice to the Mortgagors. Any sums so expended by Mortgagee shall at once become an indebtedness of the Mortgagors and shall be due and payable by the Mortgagors upon receipt by the Mortgagors of notice thereof, with interest at the rate applicable to the principal balance of the Note accruing after the date notice thereof is received by the Mortgagors, which sums shall thereupon become secured by this Mortgage until paid by the Mortgagors.

1.4 Other Taxes, Liens and Utility Charges. Subject to and in accordance with the Loan Agreement generally and Section 8.18 of the Loan Agreement in particular, the Mortgagors will pay prior to delinquency, all charges for utilities, whether public or private, and will promptly exhibit to Mortgagee, upon reasonable request, receipts (to the extent such receipts are available from the applicable authority) for the payment of all taxes, assessments, water and sewer charges, dues, fines and impositions of every nature whatsoever imposed, levied or assessed or to be imposed, levied or assessed upon or against the Mortgaged Premises and the Collateral, or any part thereof, or upon the interest of the Mortgagors in the Mortgaged Premises (other than any of the same for which provision has been made in Section 1.3 of this Article I), as well as all income taxes, assessments and other governmental charges lawfully levied and imposed by the United States of America or any State, county, municipality or other taxing authority upon the Mortgagors in respect of the Mortgaged Premises and the Collateral or any part thereof, or any charge which, if unpaid, would become a lien or charge upon the Mortgaged Premises and the Collateral prior to or equal to the lien of this Mortgage for any amounts secured hereby or which would have priority or equality with this Mortgage in distribution of the proceeds of any foreclosure sale of the Mortgaged Premises and the Collateral or any part thereof. Notwithstanding the foregoing, the Mortgagors shall have the right to contest in good faith by appropriate legal or other proceedings the validity or amount of any such tax, assessment, charge or imposition, provided that, if such tax, assessment, charge or imposition is not paid during such contest (a) the Mortgagors give Mortgagee prior written notice of its intent to contest the same, (b) if

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requested by Mortgagee, the Mortgagors demonstrate to the reasonable satisfaction of Mortgagee that such legal or other proceedings shall operate to prevent the sale of the Mortgaged Premises or Collateral (or any portion thereof) to satisfy the payment of the tax, assessment, or charge in question prior to final determination of such proceedings and (c) if requested by Mortgagee, the Mortgagors provide a sufficient undertaking as may be required or permitted by law to accomplish the discharge or release of any lien which may attach to the Mortgaged Premises as a result of such matters.

1.5 Prohibition Against Liens. Subject to and in accordance with the Loan Agreement, the Mortgagors will not suffer any mechanic's, laborer's, statutory or other liens, or any mortgage or other lien which might or could be prior to, equal to, or subordinate to the lien of this Mortgage to be created or to remain outstanding upon any of the Mortgaged Premises; provided, however, that the Mortgagors shall have the right (i) to contest in good faith by appropriate legal or other proceedings the validity or amount of any mechanic's, laborer's, statutory or other lien imposed upon all or any portion of the Mortgaged Premises on account of work performed in, on or about the Mortgaged Premises, but only so long as (a) the Mortgagors give Mortgagee prior written notice of its intent to contest the same, (b) if requested by Mortgagee, the Mortgagors demonstrate to the reasonable satisfaction of Mortgagee that such legal or other proceedings shall operate to prevent the sale of the Mortgaged Premises (or any portion thereof) to satisfy payment of the amount being contested prior to final determination of such proceedings, and (c) if requested by Mortgagee, the Mortgagors provide a sufficient undertaking as may be required or permitted by law to accomplish the discharge or release of any such lien as to the Mortgaged Premises, (ii) to furnish to Mortgagee a bond covering such mechanic's, laborer's, statutory or other lien in form, scope and substance reasonably satisfactory to Mortgagee (and from a bonding company approved by Mortgagee) or (iii) to cause the title company issuing the Title Policy to issue an endorsement to the Title Policy to insure against all applicable claims, liens or proceedings.

1.6 Insurance. Subject to and in accordance with the Loan Agreement, the Mortgagors will pay premiums to keep the Mortgaged Premises and the Collateral, adequately insured at all times against such risks as are customarily insured against by entities engaged in similar businesses. Mortgagors shall maintain insurance policies in such amounts and coverages as required by the Loan Agreement. This Mortgage shall operate as an assignment to Mortgagee, for the benefit of the Secured Parties, of all insurance policies required to be maintained by the Mortgagors pursuant to Article 5 of the Loan Agreement (other than pursuant to Section 5.1 of the Loan Agreement), whether delivered or not. Upon the failure of the Mortgagors to provide the aforesaid insurance, Mortgagee shall have the option (but not the duty) to procure and maintain such insurance or a Mortgagee interest policy without notice to the Mortgagors. Any sums so expended by Mortgagee shall at once become an indebtedness of the Mortgagors owing to Mortgagee and shall be due and payable by the Mortgagors upon receipt by the Mortgagors of notice thereof, with interest at the rate applicable to the principal balance of the Note accruing after the date notice thereof is received by the Mortgagors, which sums shall thereupon become secured by this Mortgage until paid by the Mortgagors. Any rights of Mortgagee to any insurance proceeds shall in no way be affected or impaired by reason of the fact that Mortgagee may have instituted foreclosure proceedings hereunder.

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1.7 Distribution of Insurance Proceeds. In the event of any casualty from which the insurance proceeds exceed \$100,000, the Mortgagors will give prompt notice to Mortgagee, and will commence proof of loss with the casualty insurer. Mortgagee reserves the right to direct and approve all proof of loss and claims procedures for claims reasonably determined by Mortgagee to exceed \$500,000. If proof of loss is not made promptly by the Mortgagors, Mortgagee is authorized by the Mortgagors to do so. Subject to Section 1.7(a) below, each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Mortgagee and not to the Mortgagors and Mortgagee jointly. The term "Net Proceeds" for purposes of this Section 1.7 shall mean: the net amount of all insurance proceeds under the policies carried pursuant to Section 1.6 of this Mortgage as a result of such damage or destruction, after deduction of Mortgagee's reasonable costs and expenses (including, but not limited to reasonable counsel fees), if any, in collecting the same.

(a) In the instance of any casualty the claim for which reasonably is determined by Mortgagee to be an amount equal to or less than \$500,000 and all of the following provisions (i) through (vi) are true or achieved, as the case may be, then the Net Proceeds shall be disbursed directly to the Mortgagors, provided that:

(i) No Event of Default (as defined below) shall have occurred and be continuing under the Note, this Mortgage or any of the other Loan Documents;

(ii) The Mortgaged Premises and the use thereof, after the restoration and repair of the damaged Mortgaged Premises or repair or replacement of the damaged Collateral, will be in material compliance with, and permitted under, all applicable zoning, environmental and other laws, ordinances, rules and regulations;

(iii) The Net Proceeds, together with any cash or cash equivalent deposited by the Mortgagors with Mortgagee, and if the casualty has occurred prior to the Original Maturity Date, the remaining undisbursed proceeds of the Loan, are sufficient to cover the cost of the restoration and repair of the damaged Mortgaged Premises and repair or replacement of the damaged Collateral as such costs are reasonably determined by Mortgagee based on, at a minimum, two estimates of the cost of the restoration and repair of the damaged Mortgaged Premises or repair or replacement of the damaged Collateral, and if reasonably required by Mortgagee, each such estimate shall be accompanied by an independent architect's certification as to such costs and appropriate plans and specifications for the restoration and repair of the damaged Mortgaged Premises or repair or replacement of the damaged Collateral;

(iv) Mortgagee is satisfied in its good faith credit judgment that any operating deficits, including all scheduled payments of principal and interest under the Note, which will be incurred with respect to the Mortgaged Premises as a result of the occurrence of any such fire or other casualty, will be covered out of (1) the Net Proceeds, (2) other funds of the Mortgagors, (3) other insurance

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proceeds to be paid to the Mortgagors, including, without limitation, proceeds for business interruption insurance, or (4) a combination of the foregoing;

(v) Mortgagee is satisfied in its good faith credit judgment that, upon the completion of the restoration and repair of the damaged Mortgaged Premises and repair or replacement of the damaged Collateral, the net cash flow of the Mortgaged Premises will be restored to a level sufficient to cover all carrying costs, Gross Operating Expenses of the Mortgaged Premises, including, without limitation, debt service on the Note, all reserves and Property Improvement Plans; and

(vi) The restoration and repair of the damaged Mortgaged Premises or repair or replacement of the damaged Collateral reasonably can be completed on or before the earliest to occur of (A) the date that is three (3) full calendar months prior to the Maturity Date and (B) such time as may be required under applicable zoning, environmental or other law, ordinance, rule or regulation in order to repair and restore the Mortgaged Premises and the Collateral to substantially the condition it was in immediately prior to such fire or other casualty.

(b) In the instance of any casualty the claim for which reasonably is determined by Mortgagee to be an amount greater than \$500,000, the insurance proceeds shall be distributed to Mortgagee and shall be disbursed to the Mortgagors as described below to be applied to restoration and repair of the damaged Mortgaged Premises or repair or replacement of the damaged Collateral, as the case may be, provided that (i) the Mortgagors and Mortgagee reasonably agree that such restoration and repair on one hand and repair or replacement on the other hand is economically feasible and reasonable, (ii) Mortgagee reasonably determines that its security will not be materially lessened or impaired thereby, (iii) no Event of Default has occurred and then is continuing, and (iv) Mortgagee reasonably determines that the Net Proceeds shall be adequate to pay all estimated costs of restoration and repair of the Mortgaged Premises and repair or replacement of the Collateral, or the Mortgagors shall deposit with Mortgagee sums sufficient, in Mortgagee's reasonable opinion, when added to such Net Proceeds, to pay all such estimated costs and if the foregoing conditions are not satisfied such Net Proceeds shall be applied to the reduction of the Secured Obligations (such reductions applicable to such portions of the Secured Obligations, and in such order, as Mortgagee may elect), whether matured or unmatured. The proceeds of insurance and any sums deposited by the Mortgagors with Mortgagee as aforesaid shall be held by Mortgagee and disbursed to the Mortgagors for payment of the costs of such restoration and repair of the Mortgaged Premises or repair or replacement of Collateral in accordance with such procedures and subject to such conditions as Mortgagee shall reasonably require, which shall be no more onerous than the conditions set forth in the Loan Agreement. Any Net Proceeds in excess of the costs of restoration and repair of the Mortgaged Premises and repair or replacement of Collateral shall, at the option of Mortgagee, be applied to the reduction of the Secured Obligations or paid to the person legally entitled thereto.

(c) Regardless of whether such Net Proceeds are greater than or less than \$500,000, if such proceeds are to be applied to restoration and repair of the Mortgaged

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Premises or repair and replacement of Collateral, or both, as the case may be, and otherwise made available to the Mortgagors, the Mortgagors covenant and agree to commence as soon as practicable the restoration and repair of such damaged Mortgaged Premises and repair or replacement of Collateral to substantially the same condition as existed prior to such casualty, except as otherwise reasonably approved in writing by Mortgagee, and to diligently prosecute such restoration and repair of the Mortgaged Premises or repair and replacement of Collateral to completion, paying all costs thereof that the Net Proceeds and any other sums deposited by the Mortgagors with Mortgagee may be insufficient to pay. If Mortgagee reasonably determines that the Net Proceeds and such sums deposited by the Mortgagors may be insufficient to pay in full all estimated costs of restoration and repair of the Mortgaged Premises and repair or replacement of Collateral, the Mortgagors shall on demand deposit with Mortgagee such additional sums as Mortgagee reasonably deems necessary to pay all such estimated costs. The Mortgagors hereby covenant that any such restoration and repair of the Mortgaged Premises shall be done in a good and workmanlike manner, will maintain the Mortgaged Premises and the Collateral lien-free in accordance with the covenants and agreements set forth in this Mortgage and the Loan Agreement and will submit plans and design and construction contracts for such restoration and repair of the Mortgaged Premises and repair or replacement of Collateral to Mortgagee for Mortgagee's prior written approval, which approval shall not be unreasonably withheld or delayed.

(d) Notwithstanding the covenants and agreements otherwise set forth in this Section 1.7, in the event of any material casualty from which the restoration and repair of the Mortgaged Premises and repair and replacement of Collateral cannot be completed on or before the date that is three (3) full calendar months before the Maturity Date, Mortgagee hereby reserves and shall have the right to apply all or any part of the insurance proceeds resulting from any such casualty to any Secured Obligation.

1.8 Good Condition and Repair. The Mortgagors shall keep the Mortgaged Premises and the Collateral in good condition and repair (ordinary wear and tear excepted) and shall in all material respects comply with all laws, ordinances, and regulations of all public authorities relating to the Mortgaged Premises and the Collateral, comply with all easements, declarations, covenants and any other private agreements imposing duties or obligations on owners or occupants of the Mortgaged Premises, and shall not suffer any physical waste to be committed thereon nor remove or demolish any building. The Mortgagors shall permit Mortgagee (and any Affiliate that is a Mortgagee hereunder) to enter upon the Mortgaged Premises and inspect the Mortgaged Premises and Collateral at all reasonable hours with reasonable advance written notice to the Mortgagors and subject to the rights of occupants, tenants and licensees of the Mortgaged Premises. The Mortgagors shall not cause or permit any improvements to be materially altered or changed without the prior written consent of Mortgagee to the proposed action, as well as Mortgagee's prior written consent to the plans and specifications relating thereto, which consent will not be unreasonably withheld, conditioned or delayed. The Mortgagors shall not consent to any subdivision of the Mortgaged Premises or any zoning change or variance affecting the Mortgaged Premises without the prior written consent of Mortgagee, which consent will not be unreasonably withheld, conditioned or delayed.

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1.9 Condemnation. If all or any part of the Mortgaged Premises or Collateral or both hereunder is taken or materially damaged by the exercise of the power of eminent domain, the Mortgagors may contest the same in good faith so long as no Event of Default has occurred and then is continuing; provided, however, the award for any property so taken is hereby assigned to Mortgagee, and Mortgagee, upon such award becoming final, is hereby authorized, in the name of the Mortgagors, to execute and deliver acquittances for, and release of, any such award and to collect the proceeds. If any part of the Mortgaged Premises or Collateral shall be so taken or damaged, and if (i) Mortgagee reasonably determines that its security will not be lessened or impaired, (ii) no Event of Default has occurred and then is continuing, and (iii) Mortgagee reasonably determines that the award shall be adequate to pay all estimated costs of restoration, replacement and repair, or the Mortgagors have deposited with Mortgagee sums sufficient, in Mortgagee's reasonable opinion, when added to such award, to pay all such estimated costs, then such award shall be used to restore, replace and repair the taken or damaged Mortgaged Premises and Collateral; and if the foregoing conditions are not satisfied such award shall be applied to the payment of the Secured Obligations (such application to be in such order as Mortgagee may elect), principal or interest, whether matured or unmatured, and the remainder, if any, shall be paid to the Mortgagors or such other party or parties as may be legally entitled thereto. If such award is to be applied to restoration, replacement and repair, the Mortgagors covenant and agree to commence as soon as practicable the restoration, replacement and repair of the taken or damaged Mortgaged Premises and Collateral and to diligently prosecute such restoration, replacement and repair to completion, paying all costs thereof that the award and other sums deposited by the Mortgagors with Mortgagee may be insufficient to pay. If Mortgagee reasonably determines that the award and such sums deposited by the Mortgagors may be insufficient to pay in full all estimated costs of restoration, replacement and repair, the Mortgagors shall on demand deposit with Mortgagee such additional sums as Mortgagee reasonably deems necessary to pay all such estimated costs. The Mortgagors will submit plans and design and construction and other contracts for such restoration, replacement and repair to Mortgagee for Mortgagee's prior written approval, which approval will not be unreasonably withheld, conditioned or delayed. The award and any sums deposited by the Mortgagors with Mortgagee as aforesaid shall be held by Mortgagee and disbursed in payment of the costs of such restoration, replacement and repair in accordance with such procedures and subject to such conditions as Mortgagee shall reasonably require, which shall be no more onerous than the conditions set forth in the Loan Agreement. Any portion of the award in excess of the costs of restoration, replacement and repair shall, at the option of Mortgagee, be applied to the reduction of the Secured Obligations or paid to the person legally entitled thereto. Notwithstanding the covenants and agreements otherwise set forth in this Section 1.9, in the event of any taking by eminent domain or condemnation from which the restoration and repair of the Mortgaged Premises and repair and replacement of Collateral cannot be completed on or before the date that is three (3) full calendar months before the Maturity Date, Mortgagee hereby reserves and shall have the right to apply all or any part of the proceeds resulting from any such taking by eminent domain or condemnation to any Secured Obligation.

1.10 No Acquisition or Disposition of Personal Property. The Mortgagors will not make, suffer or permit, without the prior written consent of Mortgagee, any sale, purchase, conditional sale, transfer, lease or agreement under which title is reserved in the

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vendor, of any fixtures, apparatus, machinery, equipment or personal property comprising the Collateral, except in the ordinary course of business and if replaced with like-kind Collateral.

1.11 Protection of Mortgaged Premises and Collateral. The Mortgagors will from time to time execute and deliver all such supplements and amendments hereto (including financing statements and continuation statements) and other instruments, and will take such other action, as Mortgagee reasonably requests and reasonably deems necessary or advisable to (a) grant to Mortgagee a security interest in all of the Mortgaged Premises and the Collateral to secure the Secured Obligations; (b) maintain or preserve the lien of this Mortgage or carry out more effectively the purposes hereof; and (c) preserve and defend title to the Mortgaged Premises and the Collateral and the rights of Mortgagee therein against the claims of all persons and parties, provided that, in each case, such supplements and amendments hereto, and other instruments, and other actions, do not increase the Mortgagors' obligations or decrease any of its rights.

1.12 Affirmative Covenants of the Mortgagor. The Mortgagors covenant and agree that during the term of this Mortgage, and until all of the principal amount and interest due on the Note and the other Secured Obligations shall have been duly paid in full, and except as specifically hereinafter provided to the contrary, it will, unless Mortgagee shall otherwise consent in writing:

(a) **Leases.** Timely perform and observe all material terms, covenants, conditions and agreements contained in any lease or leases now or hereafter affecting the Mortgaged Premises or any portion thereof which are required to be observed and performed by the Mortgagors.

(b) **Expenses.** Pay or reimburse Mortgagee, within ten (10) Business Days of demand therefor, for all reasonable out-of-pocket attorney's fees, costs and expenses actually incurred by Mortgagee in any suit, action, legal proceeding or dispute of any kind in which Mortgagee is made a party or appears as a party plaintiff or defendant, affecting the Secured Obligations, this Mortgage or the interest created herein, or the Mortgaged Premises, including, but not limited to any action to protect the security hereof, and any such amount paid by Mortgagee shall be added to the indebtedness secured by the lien of this Mortgage until paid by the Mortgagors.

(c) **Books, Records, Accounts and Annual Reports.** Keep and maintain proper and adequate books, records and accounts reflecting all material items of income and expense, including all supporting facts relating to the operation of the Mortgaged Premises and the Collateral. Mortgagee shall have the right from time to time, at all times during normal business hours, upon reasonable prior written notice, to examine all such records, books and accounts on the Mortgaged Premises, or at such other place or with such other person or entity maintaining such books, records and accounts and to make copies or abstracts thereof as Mortgagee shall desire.

(d) **Additional Indebtedness.** The Mortgagors agree to pay or reimburse Mortgagee, upon demand therefor, for any and all actual losses, damages, costs, reasonable out-of-pocket expenses, fees, duties, taxes (except income taxes, excise taxes, franchise

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taxes, registration fees or similar taxes, fees and charges imposed upon Mortgagee, including any charges for Mortgagee doing business in the State of Illinois), penalties, assessments or other charges (hereinafter referred to as “**Liabilities**”) at any time suffered by, imposed upon, assessed or levied against the Mortgaged Premises or Mortgagee by any governmental authority or agency relating to, arising from or in connection with the execution and delivery of the Note and the recording of this Mortgage, including, but not limited to, liabilities arising from any applicable law or statute relating to the making of the Loan, the perfection of the security documents or the enforcement thereof. Any such liability so incurred or paid by Mortgagee shall constitute an additional indebtedness secured by this Mortgage until paid by the Mortgagors. The Mortgagors shall pay for the cost of recording any release or partial release(s) of this Mortgage, plus, to the extent invoiced by Mortgagee, a Fifty Dollar (\$50.00) processing fee for each such release or partial release.

(e) **Transfer and Encumbrance.** Except as permitted under the Loan Agreement, the Mortgagors shall not make, create or suffer to be made or created, any sale, transfer, conveyance, lease or assignment of the Mortgaged Premises, or any interest therein (such restriction shall not apply to the renting of hotel rooms in the ordinary course of business).

(f) **Maintain Existence.** Each Mortgagor shall remain in good standing under the laws of the state of its incorporation or organization, as the case may be. No Mortgagor shall voluntarily or involuntarily dissolve, cancel or terminate its legal existence or change the state of its incorporation or organization, as the case may be.

(g) **Legal Name.** The Mortgagors shall not change either of their legal names without providing Mortgagee with not less than sixty (60) days prior written notice.

(h) **Franchise Agreements.** Subject to the terms of the Loan Agreement, the Mortgagors shall perform and observe all material terms, covenants, conditions and agreements contained in the Franchise Agreement or any other any franchise, license agreement or other agreement entered into for the operation of a hotel or motel on the Mortgaged Premises which are required to be observed and performed by Mortgagors within the applicable time periods specified therein.

1.13 Intentionally Omitted.

1.14 Notice of Environmental Accident. Promptly after receiving actual knowledge of the occurrence of any of the following on or after the date hereof, the Mortgagors shall give Mortgagee written notice thereof, describing the same and the steps being taken by the Mortgagors with respect thereto: (a) the happening of any event involving the spill, release, leak, seepage, discharge or cleanup of any Hazardous Materials; (b) any litigation, arbitration proceeding, or governmental proceeding arising from an environmental accident involving a Hazardous Materials; (c) written notice that the Mortgagors’ operations on the Mortgaged Premises are not in compliance with Hazardous Materials Laws; (d) written notice that the Mortgagors are subject to federal or state investigation evaluating whether any remedial action is needed to respond to the release of any Hazardous Materials; or (e) written notice that the Mortgaged Premises are subject to a lien in favor of any

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governmental entity for (i) any liability under Hazardous Materials Laws or (ii) damages arising from or costs incurred by such governmental entity in response to a release of a Hazardous Materials into the environment.

1.15 Wetlands. The Mortgagors hereby covenant and represent that, (a) to the Mortgagors' actual knowledge, they are in compliance with all federal laws relating to "Wetlands" as defined in 33 C.F.R. §328.3, as hereinafter amended, and in any comparable state and/or local law, statute or ordinance, rule or regulation pertaining to such Wetlands, and (b) to the extent prohibited by law, the Mortgagors shall not perform or cause to be performed any excavation or fill activity or other acts which would in any way destroy, eliminate, alter, obstruct, interfere with or otherwise affect any Wetlands.

1.16 ADA. [Reserved]

1.17 No Agricultural Use. The Mortgagors covenant that the Mortgaged Premises and Collateral shall not be used for either agricultural or farming purposes.

1.18 Operating Lease. Notwithstanding anything contained herein to the contrary:

(a) Operating Lease. Operating Lessee is lessee under the Operating Lease. Operating Lessee has delivered to Mortgagee a true copy of the Operating Lease and all amendments and modifications thereof and neither Operating Lessee nor Borrower is in default thereunder. The Mortgagors shall not, without the prior written consent of Mortgagee, agree to the subordination of the Operating Lease to any mortgage or other interest other than this Mortgage. Any such subordination of the Operating Lease made without such consent shall be void. The Mortgagors agree that in the event the Mortgagors acquire any additional interest in the real estate and personal property that is subject to the Operating Lease, the Operating Lease shall not be extinguished by merger and the lien of this Mortgage shall extend to and include such interest.

(b) [Reserved].

(c) Attorney-in-Fact. Effective upon the occurrence and during the continuance of an Event of Default, Operating Lessee hereby constitutes and appoints Mortgagee, for the benefit of the Secured Parties, the true and lawful attorney-in-fact, coupled with an interest, of Operating Lessee, empowered and authorized in the name, place and stead of Operating Lessee to exercise all rights of Operating Lessee under the Operating Lease. The foregoing appointment during the continuance of an Event of Default is irrevocable and continuing during such continuance and such rights, powers and privileges shall be exclusive in Mortgagee, its successors and assigns, so long as any part of the Secured Obligations remains unpaid or undischarged.

(d) New Operating Lease. If Mortgagee or its designee shall acquire or obtain a new operating lease covering any portion of the Mortgaged Premises (a "**New Operating Lease**") after Mortgagee or its designee take title to the Mortgaged Premises pursuant to the terms hereof, Operating Lessee shall have no right, title or interest whatsoever in or to such New Operating Lease, or any proceeds or income arising from the estate arising under such New Operating Lease, including, without limitation, from any sale or other disposition

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thereof. Mortgagee or its designee shall hold such New Operating Lease for the benefit of the Secured Parties free and clear of any right or claim of Borrower.

(e) Bankruptcy of Borrower. The following shall apply to any proceeding (a “**Bankruptcy**”) under the Bankruptcy Code or comparable law (“**Bankruptcy Law**”) in which Borrower is the debtor:

(i) Notice. Operating Lessee shall notify Mortgagee promptly after learning of the commencement or threat of commencement of any Bankruptcy in which the Borrower is the debtor. Operating Lessee promptly shall deliver to Mortgagee copies of any and all notices, summonses, pleadings, applications and other documents that Operating Lessee receives in connection with any such Bankruptcy and any related proceedings.

(ii) No Right to Elect to Treat Operating Lease as Terminated. If Borrower rejects or disaffirms, or seeks or purports to reject or disaffirm, the Operating Lease pursuant to any Bankruptcy Law, then Operating Lessee shall not exercise its right to treat the Operating Lease as terminated under Section 365(h) of the Bankruptcy Code or any similar Bankruptcy Law, or any comparable right provided under any other Bankruptcy Law. Operating Lessee’s right under such circumstances to elect either to treat the Operating Lease as terminated or to retain its rights under the Operating Lease pursuant to Section 365(h) of the Bankruptcy Code or any similar Bankruptcy Law, or any comparable right provided under any other Bankruptcy Law shall be hereinafter referred to as the “365(h) Election”.

(iii) Exercise of 365(h) Election. Operating Lessee shall exercise the 365(h) Election in favor of Operating Lessee’s remaining in possession under the Operating Lease at least five (5) Business Days prior to the last day on which the 365(h) Election may be exercised. Operating Lessee hereby constitutes and appoints Mortgagee the true and lawful attorney-in-fact coupled with an interest, of Operating Lessee, empowered and authorized in the name, place and stead of Operating Lessee to exercise the 365(h) Election in favor of Operating Lessee’s remaining in possession under the Operating Lease in the event Operating Lessee fails to do so within the time period set forth above. The foregoing appointment is irrevocable and continuing and such rights, powers and privileges shall be exclusive in Mortgagee, its successors and assigns, for the benefit of the Secured Parties so long as any part of the Secured Obligations remain unpaid or undischarged. Operating Lessee acknowledges that Operating Lessee’s resulting occupancy and other rights, as adjusted by the effect of Bankruptcy Code Section 365, are part of the Mortgaged Premises and subject to the lien of this Mortgage. Operating Lessee further acknowledges that exercise of the 365(h) Election in favor of terminating the Operating Lease without the prior written consent of Mortgagee would constitute waste prohibited by this Mortgage. Operating Lessee acknowledges and agrees that the 365(h) Election is in the nature of a remedy available to Operating Lessee under the Operating Lease, and is not an interest that Operating Lessee can separate from the Operating Lease. Therefore,

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Operating Lessee agrees and acknowledges that exercise of the 365(h) Election in favor of preserving the right to possession under the Operating Lease shall not be deemed to constitute Mortgagee's taking or sale of the Mortgaged Premises (or any element thereof) and shall not entitle Operating Lessee to any credit against the obligations secured hereby or otherwise impair Mortgagee's or any Secured Party's remedies hereunder or under any of the Loan Documents.

(iv) Right to Remain in Possession. If Borrower rejects or disaffirms the Operating Lease or purports or seeks to disaffirm the Operating Lease pursuant to any Bankruptcy Law, then: (1) Operating Lessee shall remain in possession of the Mortgaged Premises and shall perform all acts necessary for Operating Lessee to remain in such possession for the unexpired term of the Operating Lease, whether the then existing terms and provisions of the Operating Lease require such acts or otherwise; and (2) all terms and provisions of this Mortgage and the lien created by this Mortgage shall remain in full force and effect and shall extend automatically to all of Operating Lessee's rights and remedies arising at any time under, or pursuant to, Bankruptcy Code Section 365(h), including, without limitation, all of Operating Lessee's rights to remain in possession of the Mortgaged Premises.

(v) Operating Rent Offset Rights. If pursuant to Bankruptcy Code Section 365(h), or any other similar Bankruptcy Law, Operating Lessee seeks to offset against rent owing under the Operating Lease ("**Operating Rent**") the amount of any claim for the payment of damages from Borrower's failure to perform under the Operating Lease, or rejection of the Operating Lease under any Bankruptcy Law (an "**Operating Lease Damage Claim**"), then Operating Lessee shall notify Mortgagee of its intent to do so at least twenty (20) days before effecting such offset. Such notice shall set forth the amounts proposed to be so offset and the basis for such offset. If Mortgagee objects to all or any part of such offset, then Operating Lessee shall not effect any offset of the amounts to which Mortgagee objects. If Mortgagee approves such offset, then Operating Lessee may effect such offset as set forth in Operating Lessee's notice. Neither Mortgagee's failure to object to, nor any objection or other communication between Operating Lessee and Mortgagee that relates to, such offset shall constitute Mortgagee's approval of any such offset. Operating Lessee shall indemnify Mortgagee and each other Secured Party against any loss or damage suffered by Mortgagee or such Secured Party with respect to any offset against Operating Rent.

(vi) Section 363 Sale. If pursuant to Bankruptcy Code Section 363, or any other similar Bankruptcy Law, Borrower seeks to sell any portion of the Mortgaged Premises free and clear of the Operating Lease, Operating Lessee shall immediately notify Mortgagee thereof and shall object to such sale at least five (5) Business Days prior to the last day on which such objection (the "**363 Objection**") may be made in the Bankruptcy. Operating Lessee hereby constitutes and appoints Mortgagee, for the benefit of the Secured Parties, the true and lawful attorney-in-fact, coupled with an interest, of Operating Lessee,

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empowered and authorized in the name, place and stead of Operating Lessee to make the 363 Objection in the event Operating Lessee fails to do so within the time period set forth above. The foregoing appointment is irrevocable and continuing and such rights, powers and privileges shall be exclusive in Mortgagee, its successors and assigns, so long as any part of the indebtedness secured hereby remain unpaid or undischarged.

1.19 Illinois Specific Provisions. Notwithstanding anything contained herein to the contrary:

(a) Address. The address of the Real Estate is: 1818 Maple Avenue, Evanston, Illinois 60201. However, neither the failure to designate an address nor any inaccuracy in the address designated shall affect the validity or priority of the lien of this Mortgage on the Real Estate described on Exhibit "A".

(b) Use of Proceeds. The proceeds of the obligations secured hereby shall be used solely for business purposes and in furtherance of the regular business affairs of Mortgagors, and the entire principal obligations secured by this Mortgage constitute (i) a "business loan" as that term is defined in, and for all purposes of, 815 ILCS 205/4(1)(c), and (ii) a "loan secured by a mortgage on real estate" within the purview and operation of 815 ILCS 205/4(1)(l).

(c) Illinois Mortgage Foreclosure Law. It is the intention of Mortgagors and Mortgagee that the enforcement of the terms and provisions of this Mortgage shall be accomplished in accordance with the Illinois Mortgage Foreclosure Law (the "Act"), 735 ILCS 5/15-1101 et seq., and with respect to such Act, each Mortgagor agrees and covenants that:

(i) Mortgagee shall have the benefit of all of the provisions of the Act, including all amendments thereto which may become effective from time to time after the date hereof. If any provision in this Mortgage or any other Loan Document shall be inconsistent with any provision of the Act, provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act. If any provision of this Mortgage shall grant to Mortgagee (including Mortgagee acting as a mortgagee-in-possession) or a receiver appointed pursuant to Paragraph 23 of this Mortgage any powers, rights or remedies which are more limited than the powers, rights or remedies that would otherwise be vested in Mortgagee or in such receiver under the Act in the absence of said provision, Mortgagee and such receiver shall be vested with the powers, rights and remedies granted in the Act to the full extent permitted by law; provided, however, that the foregoing shall not be construed as any waiver or limitation on any applicable grace and/or notice or cure period available to Mortgagors pursuant to the express terms of the Loan Documents. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee which are of the type referred to in Section 5/15-1510 or 5/15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure,

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and whether or not enumerated specifically in this Mortgage, shall be added to the indebtedness secured hereby and/or by the judgment of foreclosure.

(ii) Wherever provision is made in this Mortgage or the Loan Agreement for insurance policies to bear mortgagee clauses or other loss payable clauses or endorsements in favor of Mortgagee, or to confer authority upon Mortgagee to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control the use of insurance proceeds, from and after the entry of judgment of foreclosure, all such rights and powers of Mortgagee shall continue in Mortgagee as judgment creditor or mortgagee until confirmation of sale.

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

(iv) Each Mortgagor acknowledges that the Mortgaged Premises does not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

(v) Each Mortgagor hereby expressly waives any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, it being the intent hereof that any and all such rights of reinstatement and redemption of Mortgagors and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by the provisions of Section 5/15-1601 of the Act or other applicable law or replacement statutes.

(d) Maturity Date. The initial maturity date of all sums due and owing under the Loan Agreement and the other Loan Documents is December 15, 2021, which maturity date may be extended to December 15, 2022, and may be further extended to December 15, 2023, in accordance with the terms of the Loan Agreement.

(e) Collateral Protection Act. Pursuant to the terms of the Collateral Protection Act, 815 ILCS 180/1 et seq., Mortgagors are hereby notified that unless Mortgagors provide Mortgagee with evidence of the insurance coverage required by this Mortgage or the other Loan Documents, Mortgagee may purchase insurance at Mortgagors' expense to protect Mortgagee's interests in the Mortgaged Premises and Collateral, which insurance may, but need not, protect the interests of Mortgagors. The coverage purchased by Mortgagee may not pay any claim made by Mortgagors or any claim made against Mortgagors in connection with the Mortgaged Premises or Collateral. Mortgagors may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagors have obtained the

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insurance as required hereunder. If Mortgagee purchases insurance for the Mortgaged Premises and Collateral, Mortgagors will be responsible for the costs of such insurance, including interest and any other charges imposed in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Secured Obligations secured hereby. The costs of such insurance may be greater than the cost of insurance Mortgagors may be able to obtain for itself.

ARTICLE II

SECURITY INTEREST IN COLLATERAL

2.1 Security Agreement.

(a) In addition to, and without limiting or impugning the efficacy of, the liens and security interests granted by the Mortgagors in Article I, above, the Mortgagors do hereby agree and declare that this Mortgage shall constitute a security agreement securing the Secured Obligations encumbering each and every item of the Mortgagor Article 9 Collateral in accordance with the provisions of the Uniform Commercial Code, and Mortgagors hereby grant to Mortgagee a security interest in the rights of Mortgagors in and to the same. The remedies for any Event of Default or Default (as applicable) under this Mortgage, the Note and the other Loan Documents shall be (i) as prescribed in this Mortgage; (ii) as prescribed by general law; or (iii) as prescribed by the specific statutory consequences now or hereafter enacted and specified in the said Uniform Commercial Code in effect from time to time, all at Mortgagee's sole election.

(b) As to any Collateral which is or which hereafter becomes a "fixture" under applicable law, it is intended by Mortgagors and Mortgagee that this Mortgage constitutes a fixture filing filed with the real estate records of Cook County, Illinois, under the Uniform Commercial Code. For purposes of this fixture filing, the "Debtors" are the Mortgagors and the "Secured Party" is the Mortgagee. A description of the land which relates to the fixtures is set forth on Exhibit "A" attached hereto. Borrower is the record owner of such land.

2.2 Grant of Security Interest in the Mortgagor Article 9 Collateral

(a) To the extent permitted by applicable law, the Mortgagors hereby grant to Mortgagee, for itself and for the benefit of the other the Secured Parties, a continuing security interest in and to, and a pledge of, all of the Mortgagor Article 9 Collateral and all of Mortgagors' right, title and interest therein, whether now owned or existing or hereafter acquired or arising and wherever located, together with all Proceeds thereof to secure the Secured Obligations.

(b) As used in this Article II and elsewhere in this Mortgage, the following terms shall have the following meanings:

(i) "Accounts" means any and all right, title and interest of the Mortgagors to payment for goods and services sold or leased, including any such right evidenced by chattel paper (as defined in the Uniform Commercial Code),

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whether due or to become due, whether or not it has been earned by performance, and whether now or hereafter acquired or arising in the future, including Accounts Receivable.

(ii) “Accounts Receivable” means all Accounts and all right, title and interest in any returned goods, together with all rights, titles, securities and guarantees with respect thereto, including any rights to stoppage in transit, replevin, reclamation and resales, and all related security interests, liens and pledges, whether voluntary or involuntary, in each case whether now existing or owned or hereafter arising or acquired.

(iii) “Documents” means all instruments, files, records, ledger sheets and documents covering or relating to any of the Collateral.

(iv) “Equipment” means all equipment, furniture and furnishings, and all tangible personal property similar to any of the foregoing, including tools, parts and supplies of every kind and description, and all improvements, accessions or appurtenances thereto, that are now or hereafter owned by the Mortgagors (and for the avoidance of doubt, excluding any of the foregoing owned by the tenants, patrons or guests of the Real Estate, Manager or Franchisor).

(v) “Fixtures” means all “fixtures” (as defined in the Uniform Commercial Code) now owned or hereafter acquired by Mortgagors now or hereafter located upon the Mortgaged Premises.

(vi) “General Intangibles” means all choses in action and causes of action and all other assignable intangible personal property of the Mortgagors of every kind and nature (other than Accounts Receivable) now owned or hereafter acquired by the Mortgagors, including corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, interest rate protection agreements, including, without limitation, any Derivative Contract and other agreements, excluding, however, the Franchise Agreement), payment intangibles, trademarks, service marks and other intellectual property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security interest or other security held by or granted to the Mortgagors to secure payment by an account debtor (as defined in the Uniform Commercial Code) of any of the Accounts Receivable.

(vii) “Inventory” means all goods of the Mortgagors, whether now owned or hereafter acquired, held for sale or lease, or furnished or to be furnished by the Mortgagors under contracts of service, or consumed in the Mortgagors’ business, including raw materials, intermediates, work in process, packaging materials, finished goods, semi-finished inventory, scrap inventory, manufacturing supplies and spare parts, and all such goods that have been returned to or repossessed by or on behalf of the Mortgagors.

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(viii) “The Mortgagor Article 9 Collateral” means all of the Mortgagors’ right title and interest in and to: (a) the Accounts, including, without limitation, each and every Account Receivable; (b) the Inventory; (c) the Equipment; (d) the Documents; (e) the General Intangibles; (f) each of the following, as defined in the Uniform Commercial Code: goods, investment property, instruments, chattel paper, fixtures, as-extracted collateral, commercial tort claims, letter of credit rights, payment intangibles, promissory notes, supporting obligations; (g) Fixtures; (h) cash, cash accounts and other deposit accounts (as defined in the Uniform Commercial Code) together with all monies, securities and instruments at any time deposited in any such account or otherwise held for the credit thereof; (i) securities accounts (as defined in the Uniform Commercial Code), together with all financial assets (as defined in the Uniform Commercial Code) credited therein from time to time, and all financial assets (as defined in the Uniform Commercial Code), monies, securities, cash and other property held therein or credited thereto; (j) other items, kinds and types of personal property, tangible or intangible, of whatever nature, and regardless of whether the creation or perfection or effect of perfection or non-perfection of a security interest therein is governed by the Uniform Commercial Code of any particular jurisdiction or by any other applicable treaty, convention, statute, law or regulation of any applicable jurisdiction; (k) additions, modifications, alterations, improvements, upgrades, accessions, components, parts, appurtenances, substitutions and/or replacements of, to or for any of the foregoing; and (l) Proceeds and products (as defined in the Uniform Commercial Code) of any and all of the foregoing.

(ix) “Proceeds” means all proceeds (as defined in the Uniform Commercial Code) of any and all of the Collateral, including, without limitation, all proceeds in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any Person acting under color of governmental authority) and, to the extent not otherwise included, all payments under insurance (whether or not Mortgagee is the loss payee thereof), of any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the Collateral.

(x) “Uniform Commercial Code” has the meaning specified in the Loan Agreement.

2.3 Perfection; Further Actions.

(a) The Mortgagee is hereby authorized to file, and the Mortgagors shall deliver and cause to be filed, such financing statements as Mortgagee deems necessary or appropriate under applicable law, and otherwise take such other action and execute such assignments or other instruments or documents, in each case as Mortgagee may reasonably request, to evidence, perfect, or record Mortgagee’s security interest in the Collateral or to enable Mortgagee to exercise and enforce its rights and remedies with respect to any Collateral provided that such actions and other instruments or documents do not increase the Mortgagors’ obligations or decrease any of its rights. The Mortgagors hereby authorize

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Mortgagee to file any such financing statement or continuation statement on such Mortgagors' behalf. The parties acknowledge that a carbon, photographic, or other reproduction of this Mortgage shall be sufficient as a financing statement to the extent permitted by law. Mortgagors hereby authorize Mortgagee to file one or more financing statements to evidence more effectively the lien hereof upon the Mortgaged Premises, which in each case may describe the collateral covered thereby as all assets of Mortgagors.

(b) The Mortgagors will, at their own expense, make, execute, endorse, acknowledge, file and/or deliver to Mortgagee from time to time such descriptions and designations of its Collateral, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which Mortgagee reasonably deems appropriate or advisable to perfect, preserve or protect its security interest in the Collateral provided that such actions do not increase the Mortgagors' obligations or decrease any of its rights.

(c) For each deposit account that either Mortgagor at any time opens or maintains, such Mortgagor shall, at the time such deposit account is opened, cause the depository bank to agree to comply with reasonable instructions from Mortgagee to such depository bank directing the disposition of funds from time to time credited to such deposit account, without further consent of the Mortgagors or any other Person, pursuant to an agreement reasonably satisfactory in form and substance to Mortgagee. Mortgagee agrees with the Mortgagors that Mortgagee shall not give any such instructions or withhold any withdrawal rights from the Mortgagors unless an Event of Default has occurred and is continuing, or, after giving effect to any withdrawal would occur. The provisions of this paragraph shall not apply to any deposit account for which the Mortgagors, the depository bank and Mortgagee have entered into an account control agreement specially negotiated among the Mortgagors, the depository bank and Mortgagee for the specific purpose set forth therein.

2.4 Representations and Agreement as to Collateral. The Mortgagors represent that:

(a) Schedule 2.4(a) hereto sets forth, for the Mortgagors, as of the date hereof, (i) the location of its principal place of business, (ii) the location of its chief executive office, (iii) any location where its books and records are maintained, (iv) any other locations where any Collateral is located, (v) its type of organization, (vi) its jurisdiction of formation, (vii) any jurisdiction where its ownership, lease or operation of property or the conduct of its business requires qualification as a foreign entity, except where the failure to so qualify would not reasonably be expected to have a material adverse effect and (viii) its state organizational identification number (if any).

(b) As of the date hereof, except as disclosed on Schedule 2.4(b), none of the Collateral is in the possession of any bailee, warehouseman, processor or consignee. Subject to the terms of the Loan Agreement, the Mortgagors shall not establish any new location for Collateral until (i) it shall have given to Mortgagee not less than thirty (30) days' prior

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written notice of its intention so to do, clearly describing such new location and providing such other information in connection therewith as Mortgagee may reasonably request, and (ii) with respect to such new location, it shall have taken all action, satisfactory to Mortgagee, to maintain the security interest of Mortgagee in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect.

(c) Except as disclosed on Schedule 2.4(c), the Mortgagors are not the holder of a commercial tort claim (as defined in the Uniform Commercial Code). If either Mortgagor shall at any time hold or acquire a commercial tort claim, such Mortgagor shall promptly notify Mortgagee thereof in a writing signed by such Mortgagor, which sets forth the details thereof and grants to Mortgagee a lien thereon and on the Proceeds thereof, all upon the terms of this Mortgage, with such writing to be in form and substance reasonably satisfactory to Mortgagee; provided, however, that the Mortgagors shall be entitled to receive and retain the Proceeds from any such commercial tort claim, unless an Event of Default exists and then is continuing.

2.5 Other Changes Affecting Perfection. The Mortgagors shall not, without giving Mortgagee fifteen (15) days prior written notice thereof and taking such steps, satisfactory to Mortgagee in its sole discretion, as may be necessary or appropriate to maintain the perfection and full force and effect of the lien in the Collateral: (a) merge or consolidate with any other corporation, limited liability company, partnership or other entity or otherwise change the state under the laws of which it is organized, (b) change the location of its chief executive office, (c) change the location from which it maintains its books of account, documents and other records in respect of its Collateral and contract rights, (d) add any new places of business or close any of its existing places of business, (e) make any change in either Mortgagor's name or adopt or operate under any trade name, assumed name or fictitious name or otherwise add any name under which the Mortgagors or either of them do business, or (f) make any change (other than as set forth in clauses (a) through (e) above) which would reasonably be expected to adversely affect the perfection or priority of Mortgagee's lien in the Collateral.

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2.6 Maintenance of Records and Equipment. The Mortgagors will keep and maintain at its own cost and expense satisfactory and substantially complete records of its Collateral and contracts, including, but not limited to, complete and legible copies of all Material Agreements, records of all payments received, all credits granted thereon, and all other dealings therewith. Each Mortgagor shall, at its own cost and expense, if requested by Mortgagee, deliver to Mortgagee copies of all documents evidencing its Collateral and Material Agreements and copies of such other documents relating to the Collateral as Mortgagee may reasonably request. If Mortgagee so directs after the occurrence and during the continuance of an Event of Default, the Mortgagors shall legend, in form and manner reasonably satisfactory to Mortgagee, the Collateral and Material Agreements, as well as books, records and documents of the Mortgagors evidencing or pertaining to the Collateral with an appropriate reference to the fact that the Collateral and Material Agreements have been assigned to Mortgagee and that Mortgagee has a security interest therein; provided, however, that the Mortgagors shall not be required to legend the Franchise Agreement.

2.7 Protection of Collateral; Reimbursement. All insurance expenses and all expenses of protecting, storing, warehousing, insuring, handling, maintaining, and shipping any Collateral, any and all excise, property, sales, use, or other taxes imposed by any state, federal, or local authority on any of the Collateral, or in respect of the sale thereof, or otherwise in respect of the Mortgagors' business operations which, if unpaid, could result in the imposition of any lien upon the Collateral, shall be borne and paid by the Mortgagors. If Mortgagors fail to pay any portion thereof when due and after the expiration of all applicable notice and cure periods, except as may otherwise be permitted under this Mortgage or under any of the other Loan Documents, Mortgagee, at its option, may, but shall not be required to, pay the same. All sums so paid or incurred by Mortgagee for any of the foregoing and any and all other sums for which the Mortgagors may become liable under this Mortgage and all costs and expenses (including reasonable out-of-pocket attorneys' fees and reasonable paralegals' fees, legal expenses, and court costs, expense, and other charges related thereto) which Mortgagee actually incurs in enforcing or protecting its liens on or rights and interests in the Collateral or any of its rights or remedies under this Mortgage or any other agreement between the parties to this Mortgage or in respect of any of the transactions to be had under this Mortgage shall be repayable within ten (10) Business Days of demand and, from and after the expiration of such period until paid by the Mortgagors to Mortgagee with interest thereon at a rate per annum equal to the applicable rate set forth in the Note, shall be additional Secured Obligations under this Mortgage secured by the Collateral. Unless otherwise provided by law, Mortgagee and Trustee shall not be liable or responsible in any way for the safekeeping of any of the Collateral or for any loss or damage thereto or for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency, or other Person whomsoever.

2.8 General Appointment as Attorney-in-Fact. In addition to any other provisions of this Mortgage, upon the occurrence and during the continuation of an Event of Default, the Mortgagors hereby irrevocably constitute and appoint Mortgagee and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Mortgagors and in the name of the Mortgagors or in its own name, from time to time following the occurrence and during the continuance of an Event of Default, in Mortgagee's discretion, for the purpose of carrying

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out the terms of this Mortgage, without notice (except as specifically provided herein or as required by applicable law) to or assent by the Mortgagors, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Mortgage, including, without limiting the generality of the foregoing, the power and right, on behalf of the Mortgagors, to do the following, upon notice to the Mortgagors: (a) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on the Collateral, to effect any repairs or any insurance called for by the terms of this Mortgage and to pay all or any part of the premiums therefor and the costs thereof, and otherwise to itself perform or comply with, or otherwise cause performance or compliance with, any of the covenants or other agreements of the Mortgagors contained in this Mortgage which the Mortgagors have failed to perform or with which the Mortgagors have not complied; (b) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (c) to defend any suit, action or proceeding brought against the Mortgagors with respect to any Collateral; (d) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Mortgagee may deem appropriate; and (e) to generally sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Mortgagee were the absolute owner thereof for all purposes, and to do, at Mortgagee's option and the Mortgagors' expense, at any time, or from time to time, all acts and things which Mortgagee deems reasonably necessary to protect, preserve or realize upon the Collateral and Mortgagee's security interest therein, in order to effect the intent of this Mortgage, all as fully and effectively as the Mortgagors might do. The Mortgagors hereby ratify all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

2.9 Mortgagee, Secured Creditors Not Liable; Waivers. The powers conferred on Mortgagee hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Mortgagee shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its respective officers, directors, employees or agents shall be responsible to the Mortgagors for any act or failure to act, except for its own gross negligence or willful misconduct, as determined in a final judgment by a court of competent jurisdiction.

2.10 Authority to Execute Transfers. Without limitation of any authorization granted to Mortgagee hereunder, the Mortgagors also hereby authorize Mortgagee, upon the occurrence and during the continuance of an Event of Default, to execute, in connection with the exercise by Mortgagee of its remedies hereunder, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

2.11 Performance by Mortgagee of Mortgagors' Obligations. If the Mortgagors fail to perform or comply with any of their agreements contained herein and Mortgagee, during the continuance of an Event of Default, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable expenses of Mortgagee actually incurred in connection with such performance or compliance, together with interest thereon if not paid within ten (10) Business Days after notice thereof is sent to

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the Mortgagors, at the applicable rate set forth in the Note, shall be payable by the Mortgagors to Mortgagee within ten (10) Business Days of demand therefor and shall constitute Secured Obligations secured hereby. Notwithstanding anything to the contrary contained herein, Mortgagee will notify the Mortgagors as soon as it is practicable of any action taken by it of the nature referred to herein.

2.12 Reinstatement. The provisions of this Mortgage shall remain in full force and effect and continue to be effective should any petition be filed by or against the Mortgagors for liquidation or reorganization, should the Mortgagors become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Mortgagors' assets or should any other financial impairment occur, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

2.13 Certain Remedies. In addition to the rights and remedies otherwise set forth herein, upon the occurrence and during the continuance of an Event of Default, Mortgagee shall have the right, in the Mortgagors' or Mortgagee's name to: (i) notify Persons indebted to the Mortgagors of Mortgagee's interest in any such amounts payable to the Mortgagors, to instruct such Persons to remit such amounts directly to Mortgagee, and, upon collection of the same, apply the same to the Secured Obligations, (ii) demand payment of the Collateral, and, upon collection of the same, apply the same to the Secured Obligations, (iii) enforce payment of the Collateral, by legal proceedings or otherwise and, upon collection of the same, apply the same to the Secured Obligations, (iv) exercise all of the Mortgagors' rights and remedies with respect to the collection of the Collateral, and, upon collection of the same, apply the same to the Secured Obligations, (v) settle, adjust, compromise, extend, or renew the Collateral, and, upon collection of the same, apply the same to the Secured Obligations, (vi) settle, adjust, or compromise any legal proceedings brought to collect the Collateral, and, upon collection of the same, apply the same to the Secured Obligations, (vii) if permitted by applicable law, sell or assign the Collateral upon such terms, for such amounts, and at such time or times as Mortgagee deems advisable, and, upon collection of the same, apply the same to the Secured Obligations, (viii) discharge and release the Collateral for its fair market value, and, upon collection of the same, apply the same to the Secured Obligations, (ix) take control, in any manner, of any item of payment or Proceeds relating to any Collateral, and, upon collection of the same, apply the same to the Secured Obligations, (x) prepare, file, and sign the Mortgagors' name on a proof of claim in bankruptcy or similar document against any account debtor, and (xi) endorse the name of the Mortgagors upon any of the items of payment or Proceeds relating to any Collateral and deposit the same to the account of Mortgagee on account of the Secured Obligations. Without limiting the generality of the foregoing, Mortgagee shall have the right, in the Mortgagors' or Mortgagee's name to:

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(a) instruct the obligor or obligors on any agreement, instrument or other obligation constituting the Collateral to make any payment required by the terms of such instrument or agreement directly to Mortgagee, and, upon collection of the same, apply the same to the Secured Obligations; and

(b) withdraw any or all monies, securities and/or instruments in any deposit account for application to the Secured Obligations.

2.14 Agent. During the continuance of an Event of Default, Mortgagee will hold in accordance with this Mortgage all items of the Collateral at any time received under this Mortgage. The acceptance by Mortgagee of this Mortgage, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate Mortgagee to appear in or defend any action or proceeding relating to the Collateral to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Collateral.

2.15 Joinder by Operating Lessee. Without limiting the generality of any of the foregoing in this Article II, Operating Lessee hereby joins in and assumes by reference the assignment, pledge, conveyance, setting over, delivery and transfer and other agreements provided for in Section 2.13 (Assignment of Accounts) of the Loan Agreement as if the provisions thereof were fully restated herein. Operating Lessee also hereby covenants and agrees to perform and comply with those covenants and agreements contained in Article 5 (Insurance), Section 6.25 (Special Purpose Entity Status), Article 7 (Hazardous Materials), Article 8 (Covenants) and Article 9 (Reporting Covenants) of the Loan Agreement to the extent that they refer to performance or observance by Operating Lessee (or Operating Lessee's being caused to do so by Borrower) and, with respect to the foregoing, joins in the waiver contained in Section 13.28 (Waiver of Jury Trial) of the Loan Agreement; provided, however, that nothing in this sentence shall be construed to (i) make Operating Lessee obligated or otherwise liable for the Loan or other indebtedness evidenced by the Note or (ii) relieve Borrower of any covenant or agreement under the Loan Agreement, including, without limitation, any covenant or agreement to cause Operating Lessee to take or not take any action.

2.16 Future Advances. Mortgagee has bound itself and does hereby bind itself to make advances by Mortgagee to the Borrower Parties pursuant to and subject to the terms of the Note or other Loan Documents ("**Future Advances**") and the Borrower Parties hereby acknowledge and intend that all such advances, together with any interest thereon, shall be a lien from the time this Mortgage is recorded as provided in Section 5/15-1302(b)(1) of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15 1101, et seq., as amended from time to time.

ARTICLE III

EVENTS OF DEFAULT

3.1 Events of Default. The occurrence or existence of a Default under and pursuant to the Loan Agreement shall be an "Event of Default" under this Mortgage.

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ARTICLE IV

REMEDIES

4.1 Rights of Mortgagee after Default. Upon the occurrence of an Event of Default and so long as such Event of Default exists, Mortgagee shall, to the extent permitted by applicable law:

(a) have the option to declare the Note and all other Secured Obligations immediately due and payable, and further may proceed immediately to foreclose this Mortgage and exercise Mortgagee's rights under this Mortgage, the other Loan Documents or any other controlling document;

(b) have all the rights and remedies of a secured party under the Uniform Commercial Code in the event of an Event of Default, including, but not limited to, the right to sell the Collateral at public or private sale, and the right to be a purchaser at any such sale;

(c) demand, elect and receive all the rents and profits as then or may thereafter be due and owing to the Mortgagors in connection with the Mortgaged Premises and the Collateral, giving notice of its intention to collect and receive such rents to such tenants, occupiers or lessees of the Mortgaged Premises, and applying the same upon the amount due upon the Note and the other Secured Obligations; and in such event, the Mortgagors shall be deemed to have assigned and transferred such rents and profits to Mortgagee as additional security for the performance of the covenants of this Mortgage until all indebtedness secured hereby has been fully paid and satisfied;

(d) have all other remedies available at law or in equity; and

(e) have the right:

(i) to enter upon and take possession of the Mortgaged Premises and the Collateral and to operate the same for and on behalf of the Mortgagors;

(ii) to collect all of the rent, income, profits or revenues generated therefrom; and

(iii) to expend such sums of money which it may deem necessary for the maintenance, preservation and operation of the Mortgaged Premises, including expenditures for improvements, alterations and repairs, including those of a capital nature.

Any sums so expended by Mortgagee shall at once become additional indebtedness owing from the Mortgagors to Mortgagee and shall be due and payable by the Mortgagors within ten (10) Business Days after the Mortgagors' notice thereof, with interest thereon accruing after the termination of such period, to the extent legally enforceable at the rate applicable to the principal balance of the Note, which sum so advanced shall be added to and become a part of the Secured Obligations until paid by the Mortgagors.

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4.2 Distribution of Sums Received by Mortgagee. Upon enforcement of this Mortgage upon the occurrence and during the continuance of an Event of Default, all sums received from time to time by Mortgagee shall be applied to the reduction of the Secured Obligations in such order as Mortgagee may determine in its sole discretion.

4.3 Rights Cumulative. All rights and remedies from time to time conferred upon or reserved to Mortgagee are cumulative and in addition to, not in limitation of, any rights and remedies which Mortgagee may have by law or at equity, and none is intended to be exclusive of any other. No delay or omission in insisting upon the strict observance or performance of any provision of this Mortgage, or to exercise any right or remedy, shall be construed as a waiver or relinquishment of such provision, nor shall it impair such right or remedy. Every right and remedy may be exercised from time to time and as often as deemed expedient. Proceeding with a request or receiving a judgment for legal relief shall not be or be deemed to be an election of remedies or bar any available non-judicial remedy of the Mortgagee.

4.4 Appointment of Receiver. If an Event of Default as described in Section 3.1 hereof shall occur and be continuing, then with or without the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of Mortgagee, Mortgagee, to the extent permitted by law, and without prior notice to the Mortgagors, shall be entitled as a matter of right to the appointment of a receiver or receivers of the Mortgaged Premises and the Collateral, pending such proceedings, with such powers as are conferred upon Mortgagee herein and as shall be conferred by the court making such appointment; but notwithstanding the appointment of any receiver, trustee, or other custodian, Mortgagee shall be entitled to the possession and control of any cash or other instruments at the time held by, or payable or deliverable under the terms of this Mortgage to Mortgagee.

4.5 Suits to Protect the Mortgaged Premises and the Collateral. Upon the occurrence and during the continuance of an Event of Default, Mortgagee shall have the power:

(a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Mortgaged Premises by any acts which may be unlawful or a violation of the Mortgage; and

(b) to preserve or protect its interest in the Mortgaged Premises and in the income, revenues, rents and profits arising therefrom.

4.6 Mortgagee's Power of Enforcement. If an Event of Default shall occur and be continuing, Mortgagee may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy (a) to foreclose this Mortgage and to sell, as an entirety or in separate lots, units or parcels, the Mortgaged Premises and the Collateral, under the judgment or decree of a court or courts of competent jurisdiction; and (b) to pursue any other remedy available to it, all as Mortgagee shall deem most effectual for such purposes, in each case, in furtherance of the satisfaction of the Secured Obligations. Mortgagee shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking

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possession, as Mortgagee may determine. Upon the completion of any foreclosure of all or a portion of the Mortgaged Premises or Collateral, Mortgagee shall have the right to commence an action to recover any of the Secured Obligations that remain unpaid or unsatisfied.

4.7 Application of Indebtedness Towards Purchase Price. Upon any foreclosure sale, pursuant to judicial proceedings, Mortgagee may bid for and purchase the Mortgaged Premises and Collateral, and upon compliance with the terms of sale, may hold, retain, possess and dispose of such property at its own absolute right without further accountability. Any such purchase shall permit Mortgagee to apply to the purchase price any portion of or all sums due to the Secured Parties under the Note and the other Secured Obligations in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon.

4.8 No Waiver of One Default to Affect Another, Etc. No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent or other then existing Default or Event of Default or shall impair any rights, powers or remedies consequent thereon. If Mortgagee (a) grants forbearance or any extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment thereof, (c) waives or does not exercise any right granted herein or in the Note or any other Loan Document; (d) releases any part of the Mortgaged Premises from the lien of this Mortgage or otherwise changes any of the terms of the Note or this Mortgage or any of the other Loan Documents with the consent of the Mortgagors; (e) consents to the filing of any map, plat or replat thereof; (f) consents to the granting of any easement thereon; or (g) makes or consents to any agreement subordinating to the lien or charge hereof (items (a) through (g) of this paragraph collectively are referred to as a "**Loan Modification**"), then and in each such case such act or omission shall not release, discharge, modify, change, or affect the original liability under the Note, this Mortgage, the other Loan Documents or otherwise of the Mortgagors or any subsequent purchaser of the Mortgaged Premises or any part thereof, or any maker, co-signer, endorser, surety or guarantor, except as expressly set forth in such Loan Modification; nor shall any such act or omission preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any other Default then made or of any subsequent Default, nor, except as otherwise expressly provided in any Loan Modification executed by Mortgagee shall the lien of this Mortgage be altered thereby.

4.9 Power to File Notices and Cure Defaults. Mortgagors hereby irrevocably appoint Mortgagee and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices of cessation of labor, commencement or completion of construction of the Improvements or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest, (b) upon the issuance of a deed pursuant to the foreclosure of the lien of this Mortgage or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment or further assurance with respect to the Property and Collateral, leases and payments in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, (c) to prepare, execute (if required) and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Mortgagee's security interests and rights in or to any of the Property and Collateral, and (d) upon the occurrence of an event, act or

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omission which, with notice or passage of time or both, would constitute a Default, Mortgagee may perform any obligation of Mortgagors hereunder; provided, however, that: (i) Mortgagee as such attorney-in-fact shall only be accountable for such funds as are actually received by Mortgagee; and (ii) Mortgagee shall not be liable to Mortgagors or any other person or entity for any failure to act (whether such failure constitutes negligence) by Mortgagee under this Section.

ARTICLE V

MISCELLANEOUS PROVISIONS

5.1 Successors and Assigns Included in Parties. Whenever in this Mortgage one of the parties hereto is named or referred to, the permitted successors and assigns of such party shall be included, and all covenants and agreements contained in this Mortgage by or on behalf of the Mortgagors or by or on behalf of Mortgagee shall include their respective successors and assigns, whether so expressed or not. Notwithstanding anything expressed or implied herein to the contrary, this Mortgage is being made in favor of Mortgagee for itself and as agent for the Secured Parties. All references to "Mortgagee" herein shall be construed to mean Mortgagee for itself and as agent for the Secured Parties. All rights of Mortgagee in, to and under this Mortgage shall pass to, and may be exercised by, any successor agent.

5.2 Invalid Provisions to Affect No Others. In case any one or more of the covenants, agreements, terms or provisions contained in this Mortgage or in the Note or in the other Loan Documents shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein and in the Note and in the other Loan Documents shall be in no way affected, prejudiced or disturbed thereby.

5.3 Notices. Any notice required or permitted to Mortgagee or the Mortgagors hereunder shall be in writing and shall be delivered to the appropriate party at the applicable address set forth below (subject to change from time to time by written notice to all other parties to this Agreement and the Loan Agreement). All notices, demands or other communications shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, except that notice of Event of Default may be sent by certified mail, return receipt requested, or by overnight express mail or by overnight commercial courier service, charges prepaid. Notices so sent shall be effective three (3) days after mailing, if mailed by first class mail, and otherwise upon receipt; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication.

If to the Mortgagors:	MHF EVANSTON V LLC c/o Magna Hospitality Group 300 Centerville Road, Suite 300 East Warwick, RI 02886 Attn: Robert A. Indeglia, Jr.
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With a copy to:

Eckert Seamans Cherin & Mellott, LLC
600 Grant St., 44th Floor
Pittsburgh, PA 15219
Attn: Timothy Q. Hudak, Esq.

MHF EVANSTON OPERATING V LLC
c/o Magna Hospitality Group
300 Centerville Road, Suite 300 East
Warwick, RI 02886
Attn: Robert A. Indeglia, Jr.

With a copy to:

Eckert Seamans Cherin & Mellott, LLC
600 Grant St., 44th Floor
Pittsburgh, PA 15219
Attn: Timothy Q. Hudak, Esq.

If to Mortgagee: Wells Fargo Bank, National Association
Hospitality Finance Group (AU# 64277)
1750 H Street NW, Suite 550
Washington, DC 20006
Attention: Jennifer A. Dakin, Senior Vice President
Loan No. 1019382

With a copy to:

Wells Fargo Bank, National Association
Hospitality Finance Group
301 South College Street, 4th Floor
Charlotte, NC 28202
Attention: Katherine Vlaich
Loan No. 1019382

Any notice required to be given by Mortgagee of a sale, lease or other disposition of the collateral or any other intended action by Mortgagee, deposited in the United States mail, postage prepaid, duly addressed as specified above no less than ten (10) days prior to such proposed action or if sent by overnight carrier no less than five (5) days prior to such proposed action, shall constitute commercially reasonable and fair notice to the Mortgageors of same.

5.4 Maximum Principal Amount. This Mortgage shall secure all Secured Obligations, including, without limitation, future advances whenever hereafter made with respect to the

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Note or other Loan Documents, together with any interest thereon, by Mortgagee to the Mortgagors under the Note or other Loan Documents stating that such advances are secured hereby. The maximum amount of unpaid loan indebtedness secured hereby shall be FOUR HUNDRED FIFTY-SIX MILLION and No/100 Dollars (\$456,000,000.00), exclusive of interest thereon, unpaid balances of advances made with respect to the Mortgaged Premises for the payment of taxes, assessments, insurance premiums, costs incurred for the protection of the Mortgaged Premises and other costs which Mortgagee is authorized by this Mortgage or any other Loan Document to pay on the Mortgagors' behalf, all of which shall be secured by this Mortgage.

5.5 WAIVER OF JURY TRIAL. THE MORTGAGORS AND MORTGAGEE HEREBY JOINTLY AND SEVERALLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS INSTRUMENT AND TO ANY OF THE LOAN DOCUMENTS, THE OBLIGATIONS HEREUNDER OR THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. THE MORTGAGORS AND MORTGAGEE EACH REPRESENT TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

5.6 Partial Release and Additional Security. Any part of the Mortgaged Premises and the Collateral covered by this Mortgage may be released by Mortgagee without affecting the lien and security interest hereby granted as to the remainder, and the security of this Mortgage shall not affect or be affected by any other security for the indebtedness secured hereby nor shall the taking of additional security release or impair the security hereof or liability for the indebtedness secured hereby in any manner whatsoever. Notwithstanding anything contained herein to the contrary, by acceptance of this Mortgage, Mortgagee agrees in the event that by reason of the Mortgagors entering into this Mortgage, any third party to any agreement evidencing or governing any individual item of the Collateral asserts in writing that (A) such Mortgagors are in default under such agreement evidencing or governing any such individual item of Collateral or (B) such Mortgagors' interest in such individual item of Collateral is subject to forfeiture, then upon the written request of such Mortgagors, Mortgagee shall partially release such individual item of Collateral from the coverage of this Mortgage, but only so long as Mortgagee determines, in its reasonable discretion, that the release of such individual item of Collateral shall not materially affect the value of Mortgagee's Collateral for the Secured Obligations.

5.7 Waiver of Certain Rights by the Mortgagors. To the extent permitted by law, the Mortgagors hereby waive any right or claim of right to cause a marshalling of the Mortgagors' assets or to cause Mortgagee to proceed against any of the security for the Secured Obligations before proceeding under this Mortgage against the Mortgagors, and the Mortgagors hereby agree that any court having jurisdiction to foreclose the lien of this Mortgage may order the Mortgaged Premises sold as an entirety. The Mortgagors hereby waive the benefit of all laws now or hereafter existing providing for (i) any appraisal before sale of any portion of the Mortgaged Premises and (ii) the extension of time for the enforcement of the collection of the Note or the debt evidenced thereby or creating or extending a period of redemption from any sale made in collecting said debt. To the full

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extent the Mortgagors may do so, the Mortgagors agree that the Mortgagors will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption (statutory or equitable), and the Mortgagors, for the Mortgagors and the Mortgagors' heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Premises, to the extent permitted by law, hereby waive and release all rights of redemption, valuation, appraisal, stay of execution and notice of election to mature or declare due the whole of the secured indebtedness in the event of foreclosure of this Mortgage. The Mortgagors expressly waive and relinquish all rights and remedies (including any rights of subrogation) accorded by applicable law to indemnitors or guarantors.

5.8 No Additional Debt. The Mortgagors will not incur any indebtedness in connection with the Mortgaged Premises, other than indebtedness expressly permitted pursuant to the Loan Agreement.

5.9 [Reserved]

5.10 No Merger. The fact that the leases for any portion of the Mortgaged Premises or the leasehold estates thereby created might be held directly or indirectly by or for the benefit of any person or entity which might have an interest in any other estate in the Mortgaged Premises will not, by operation of law or otherwise, merge any of the leases or the leasehold estates thereby created with any other estate in the Mortgaged Premises so long as the indebtedness hereby secured remains unpaid, unless Mortgagee consents in writing to such merger. In such event, Mortgagee shall continue to have and enjoy all of the rights and privileges of a Mortgagee as to the separate estates. In addition, upon the foreclosure of the lien created by this Mortgage on the Mortgaged Premises, any leases or subleases then existing and created by Mortgagors shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Mortgagee or any purchaser at any such foreclosure sale shall so elect. No act by or on behalf of Mortgagee or any such purchaser shall constitute a termination of any lease or sublease unless Mortgagee or such purchaser shall give written notice thereof to such tenant or subtenant.

5.11 Flood Insurance. The Mortgagors hereby certify and represent that the Mortgaged Premises are not in a flood hazard area as defined under the Flood Disaster Protection Act of 1973 ("FDPA") or the National Flood Insurance Act of 1968 ("NFIA").

5.12 Submission to Jurisdiction. The Mortgagors irrevocably agree that any suit, action or other legal proceeding arising directly, indirectly or otherwise in connection with, out of, related to or from the Loan, the Note, this Mortgage or any of the other Loan Documents may be brought in a court located within the State of Illinois where the real estate encumbered by this Mortgage is located. Furthermore, the Mortgagors irrevocably (i) consent and submit to the jurisdiction of any local, state or federal court located within the State of Illinois, (ii) waive any objection which the Mortgagors may have to the laying of venue in any suit, action or proceeding in any such courts, and (iii) waive any claims that any such suit, action or proceeding has been brought in an inconvenient forum. Notwithstanding anything contained in this paragraph to the contrary, Mortgagee shall have the right to

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commence and litigate any suit, action or proceeding against the Mortgagors or any property of the Mortgagors in any court of any other appropriate jurisdiction. Nothing herein shall be deemed to limit any rights, powers or privileges which Mortgagee or any other Mortgagee may have pursuant to any law of the United States of America or any rule, regulation or order of any department or agency thereof and nothing herein shall be deemed to make unlawful any transaction or conduct by Mortgagee or such Mortgagee which is lawful pursuant to, or which is permitted by, any of the foregoing.

5.13 Governing Law. This Mortgage shall be governed by and construed in accordance with the Laws of the State of New York and the respective rights and obligations of the Mortgagors and Mortgagee shall be governed by, and construed in accordance with, the law of the State of New York, except to the extent (A) of procedural and substantive matters relating only to the creation, perfection, foreclosure and enforcement of rights and remedies against the Mortgaged Premises and Collateral, which matters shall be governed by the laws of the State of Illinois, and (B) that the laws of the United States of America and any rules, regulations, or orders issued or promulgated thereunder, applicable to the affairs and transactions entered into by Mortgagee, otherwise preempt New York law or the law of the State of Illinois, in which event such federal law shall control; provided further that the Uniform Commercial Code shall govern the attachment and perfection of the security interests in personal property created hereby.

5.14 Joint and Several Liability. The liability of all persons and entities obligated in any manner hereunder shall be joint and several.

5.15 Captions. The captions or headings herein have been inserted solely for the convenience of reference and in no way define or limit the scope, intent or substance of any provision of this Mortgage. Whenever the context requires or permits the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

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IN WITNESS WHEREOF, the Mortgagors have caused this Mortgage to be executed and delivered effective as of the day and year first above written.

THE MORTGAGORS:

BORROWER:

MHF EVANSTON V LLC,
a Delaware limited liability company

By: 
Name: Douglas C. Stevens
Title: Vice President

OPERATING LESSEE:

MHF EVANSTON OPERATING V LLC,
a Delaware limited liability company

By: 
Name: Douglas C. Stevens
Title: Vice President

Property of Cook County Clerk's Office

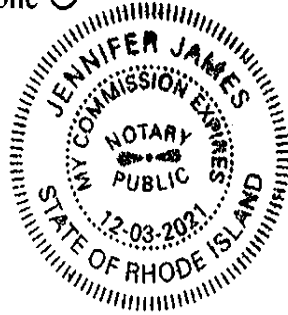
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ACKNOWLEDGEMENT

STATE OF RHODE ISLAND)
) ss.:
COUNTY OF KENT)

On the and day of December, 2019, before me, the undersigned, a Notary Public in and for said State, personally appeared Douglas C. Stevens, the Vice President of MHF EVANSTON V LLC, a Delaware limited liability company personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity; and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Jennifer James
Notary Public



My Commission Expires: 12/03/21

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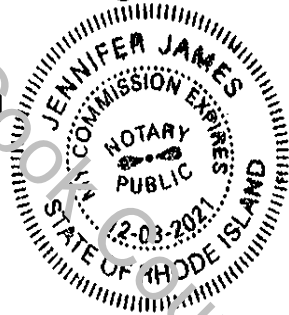
ACKNOWLEDGEMENT

STATE OF RHODE ISLAND)
) ss.:
COUNTY OF KENT)

On the And day of December, 2019, before me, the undersigned, a Notary Public in and for said State, personally appeared Douglas C. Stevens, the Vice President of MHF EVANSTON OPERATING V LLC, a Delaware limited liability company personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity; and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Jennifer James
Notary Public

My Commission Expires: 12/03/21



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Exhibit A

Description of the Property

PARCEL 1 (Fee):

LOT 5 IN CHURCH MAPLE RESUBDIVISION, BEING A RESUBDIVISION OF PART OF DEMPSTER'S SUBDIVISION OF BLOCK 66 OF THE VILLAGE OF EVANSTON, COOK COUNTY, ILLINOIS; PART OF THE CHICAGO AND NORTHWESTERN RAILROAD RIGHT OF WAY (FORMERLY CHICAGO, MILWAUKEE AND ST. PAUL RAILROAD RIGHT OF WAY); PART OF BLOCK 18 IN THE VILLAGE OF EVANSTON; ALL OF BLOCKS 2 AND 3 IN CIRCUIT COURT SUBDIVISION IN PARTITION OF LOT 22 IN THE COUNTY CLERK'S DIVISION OF UNSUBDIVIDED LANDS; AND PART OF VACATED CLARK STREET AND EAST RAILROAD AVENUE; BEING IN THE NORTHWEST 1/4 AND THE SOUTHWEST 1/4 OF SECTION 18, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE CITY OF EVANSTON, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 2, 1999 AS DOCUMENT 99528041, ALL IN COOK COUNTY, ILLINOIS.

Address: 1818 Maple, Evanston, Illinois
PIN: 11-18-117-005-0000

PARCEL 2 (Easement):

A NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCEL 1 AS CREATED BY EASEMENT AGREEMENT DATED JUNE 5, 2000 AND RECORDED JUNE 13, 2000 AS DOCUMENT 00432325 FROM THE CITY OF EVANSTON, ILLINOIS TO EVANSTON HOTEL ASSOCIATES, LLC, A DELAWARE LIMITED LIABILITY COMPANY FOR THE FOLLOWING DESCRIBED EASEMENTS MORE FULLY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF: (I) AN EASEMENT FOR PEDESTRIAN ACCESS, INGRESS AND EGRESS OVER AND ACROSS A PORTION OF THE CITY PROPERTY DESCRIBED IN EXHIBIT A ATTACHED TO SAID INSTRUMENT ("THE PEDESTRIAN EASEMENT AREA"), (II) AN EASEMENT FOR PEDESTRIAN AND VEHICULAR ACCESS, INGRESS AND EGRESS OVER AND ACROSS A PORTION OF THE CITY PROPERTY DESCRIBED ON EXHIBIT B ATTACHED TO SAID INSTRUMENT ("THE ACCESS EASEMENT AREA"), (III) AN EASEMENT FOR PEDESTRIAN AND VEHICULAR ACCESS, INGRESS AND EGRESS OVER AND ACROSS A PORTION OF THE CITY PROPERTY DESCRIBED ON EXHIBIT C ATTACHED TO SAID INSTRUMENT ("THE DROP-OFF LANE EASEMENT AREA"), (IV) AN EASEMENT FOR THE CONSTRUCTION, MAINTENANCE AND REPAIR OF A PORTE COCHERE OVERHANG OVER AND ABOVE A PORTION OF THE CITY PROPERTY DESCRIPTION ON EXHIBIT D ATTACHED TO SAID INSTRUMENT ("THE PORTE COCHERE EASEMENT AREA") OVER THE PORTIONS OF LAND DESCRIBED IN SAID INSTRUMENT.

Address: 1818 Maple, Evanston, Illinois
PIN: 11-18-117-005-0000

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PARCEL 3 (Leasehold):

A LEASEHOLD INTEREST IN AND TO THE FOLLOWING DESCRIBED PROPERTY BY VIRTUE OF THAT CERTAIN AMENDED AND RESTATED HOTEL PARKING LEASE EXECUTED BY CITY OF EVANSTON, AS LESSOR, AND AHC EVANSTON LLC, AS LESSEE, DATED JANUARY 26, 2000 AS ASSIGNED TO EVANSTON HOTEL ASSOCIATES, LLC, AS EVIDENCED BY MEMORANDUM OF AMENDED AND RESTATED HOTEL PARKING LEASE, RECORDED JUNE 13, 2000 AS DOCUMENT 00432327, AS AFFECTED BY ASSIGNMENT OF AMENDED AND RESTATED HOTEL PARKING LEASE, BY AND BETWEEN EVANSTON HOTEL ASSOCIATES, LLC AND MHF EVANSTON OPERATING V LLC, RECORDED DECEMBER 22, 2016, A MEMORANDUM OF WHICH WAS RECORDED AS DOCUMENT NUMBER 1635722024:

LOT 4 OF THE CHURCH MAPLE RESUBDIVISION BEING A RESUBDIVISION OF PART OF DEMPSTER'S SUBDIVISION OF BLOCK 66 OF THE VILLAGE OF EVANSTON, COOK COUNTY, ILLINOIS; PART OF THE CHICAGO AND NORTHWESTERN RAILROAD RIGHT OF WAY (FORMERLY CHICAGO, MILWAUKEE AND ST. PAUL RAILROAD RIGHT OF WAY); PART OF BLOCK 18 IN THE VILLAGE OF EVANSTON; ALL OF BLOCKS 2 AND 3 IN CIRCUIT COURT SUBDIVISION IN PARTITION OF LOT 22 IN THE COUNTY CLERK'S DIVISION OF UNSUBDIVIDED LANDS; AND PART OF VACATED CLARK STREET AND EAST RAILROAD AVENUE; BEING IN THE NORTHWEST QUARTER AND THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS.

Address: Adjacent to 1818 Maple, Evanston, Illinois
PIN: 11-18-117-016-0000

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Schedule 2.4(a)

- (i) 1818 Maple Avenue, Evanston, Illinois 60201
- (ii) c/o Magna Hospitality Group, 300 Centerville Road, Suite 300 East, Warwick, RI 02886
- (iii) At the locations set forth in items (i) and (ii) above
- (iv) None
- (v) Limited liability company
- (vi) Delaware
- (vii) Illinois
- (viii) Borrower: 6188447; Operating Lessee: 6188471

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Schedule 2.4(b)

None.

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Schedule 2.4(c)

None.

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