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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (hereinafter referred to as the "Mortgage"), made as of March 15, 1986, by 2240 West Diversey, an Illinois General Partnership (referred to hereinafter as the "Mortgagor") to the Illinois Development Finance Authority, a political subdivision, body politic and municipal corporation, having its office at Two North LaSalle Street, Chicago, Illinois 60690 (hereinafter referred to as the "Issuer"),

WHEREAS, contemporaneously herewith, the Issuer has issued its Industrial Development Revenue Bond, Series 1986 (Dahlstrom Display Facility) in the principal sum of Nine Hundred Seventy-Five Thousand Dollars (\$975,000) (the "Bond") pursuant to a Bond Purchase Agreement dated as of March 15, 1986 (the "Bond Purchase Agreement"), by and between the Issuer, Mortgagor and Devon Bank, as Purchaser of the Bond (the "Bank").

WHEREAS, the Issuer has agreed to loan the proceeds from the sale of its Bond to Mortgagor pursuant to a Loan Agreement dated as of March 1, 1986 (the "Loan Agreement") to enable Mortgagor to acquire certain land legally described on Exhibit A hereto, together with all easements and appurtenances thereto (the "Land"), and the building located thereon and to rehabilitate said building (the "Facility" as defined in the Agreement), and

WHEREAS, Mortgagor will execute a 1986 Industrial Development Facility Note (Dahlstrom Display Facility), dated as of March 15, 1986 (the "Facility Note"), in the form attached hereto as Exhibit B to evidence its obligation to make the Loan Repayments (as defined in the Loan Agreement) for the Facility which Facility Note is to be assigned to the Bank as collateral security for the Bond; and

This instrument was prepared by,
and upon recordation return to:

Greenbaum, Browne, Cain,
Wolf & Dolin, Ltd.
180 North LaSalle
Suite 3100
Chicago, Illinois 60601

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WHEREAS, the Issuer has assigned certain of its rights under the Loan Agreement, the Facility Note, a certain Assignment of Rents and Leases dated as of March 15, 1986 (the "Assignment of Rents") from the Mortgagor to the Issuer, a Guaranty dated as of March 15, 1986 from Dahlstrom Display, Inc. (the "Guaranty") and this Mortgage; and

WHEREAS, the Mortgagor wishes to further secure the payment of the Facility Note and the payment and performance of its other obligations under the Loan Agreement; and

WHEREAS, the Mortgagor, being justly indebted to the Issuer for Nine Hundred Seventy-Five Thousand Dollars (\$975,000), has, to secure said principal, and interest to be earned thereon, executed and delivered to the Issuer, the Facility Note of even date herewith expressed to be for value received payable upon the terms and at the rate of interest therein stated; and

NOW, THEREFORE, THIS MORTGAGE WITNESSETH: That the Mortgagor, in consideration of the premises, the purchase and acceptance of the Facility Note by the Issuer and of the sum of Ten Dollars (\$10.00) received by the Mortgagor from the Issuer and other good and valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on the Facility Note according to its tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all the covenants, agreements and conditions contained in the Facility Note and the Agreement does hereby mortgage, pledge, assign, bargain, hypothecate, grant a security interest in and to, convey, transfer and set over unto the Issuer and its successors and assigns, with all and singular the following described properties, rights, interest and privileges and all the Mortgagor's estate, right, title and interest therein, thereto and thereunder, (all of which properties described in the following Granting Clause and hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Mortgaged Property"):

GRANTING CLAUSE

The Land, together with the entire interest of the Mortgagor in and to all buildings, structures, improvements and appurtenances at any time hereafter constructed or placed upon such Land, including the Facility and all right, title and interest of the Mortgagor, if any, in and to all building material, building equipment and fixtures of every kind and nature whatsoever now or hereafter on said Land or in any buildings, structures or improvements now or hereafter standing on said Land which are classified as fixtures under applicable law and which are used in connection with the operation, maintenance or protection of said buildings, structures and improvements, and the reversion or reversions, remainder or remainders, in and to said Land, and together with the entire interest of the Mortgagor in and to all and singular

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the tenements, hereditaments, easements, rights-of-way, rights, privileges and appurtenances to said Land, belonging or in anywise appertaining thereto, including without limitation the entire right, title and interest of the Mortgagor in, to and under any streets, ways or alleys adjoining said Land, and all claims or demands whatsoever of the Mortgagor either in law or in equity, in possession or expectancy, of, in and to said Land, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described which is now owned or is hereafter acquired by the Mortgagor and is affixed or attached or annexed to said Land shall be and remain or become and constitute a portion of said Land and the security covered by and subject to the lien of this Mortgage, and together with all rents, income, revenues, awards, issues and profits thereof, and the present and continuing right to make claim for, collect, receive and receipt for any and all of such rents, income, revenues, awards, issues and profits arising therefrom or in connection therewith, and together with all leasehold estate, right, title and interest of the Mortgagor in and to all leases or sub-leases covering such real estate or any portion thereof now or hereafter existing or entered into, and all right, title and interest of the Mortgagor thereunder, and together with all interests, estate or other claims, both at law and in equity, which the Mortgagor now has or may hereafter acquire in said real estate.

The Mortgagor covenants:

1. The Mortgagor will timely make or cause to be made, all payments and perform, or cause to be performed, all agreements, conditions and obligations on its part required to be made and performed under this Mortgage, the Facility Note, and the Loan Agreement.
2. The Mortgagor will not knowingly permit or suffer the use of any of the Mortgaged Property for any purpose other than offices, manufacturing and/or warehousing which are the uses for which the same was intended and zoned for at the time this Mortgage was executed.
3. Subject to the provisions of Section 7.2 of the Loan Agreement, the Mortgagor hereby assigns to the Issuer any awards which may become due by reason of the taking by condemnation or eminent domain of the whole or any part of said Mortgaged Property or any rights appurtenant thereto, including any award for change of grade of streets.
4. The Mortgagor at its expense, will keep, or will cause to be kept, the Mortgaged Property in good order, condition and repair and maintain the Mortgaged Property in a clean, orderly and attractive condition. The Mortgagor

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shall promptly pay, or cause to be paid, all utility and other charges incurred in the maintenance and operation of the Mortgaged Property and shall make, or cause to be made, all necessary or appropriate repairs, replacements and renewals thereof, interior, exterior, structural and non-structural, ordinary and extraordinary, and foreseen and unforeseen. The Mortgagor shall not do, or permit to be done, any act or thing which might materially impair the value or usefulness of the Mortgaged Property or any part thereof, shall not commit or permit any waste of the Mortgaged Property or any part thereof, and shall not permit the Mortgaged Property to be used for any purpose except the use as an office facility and related facilities without the Bank's prior written consent. The Mortgagor shall also promptly comply with, or cause to be complied with, terms and conditions of all rights of way, privileges, franchises, servitudes, licenses, easements, hereditaments and appurtenances forming a part of, or burdening, the Mortgaged Property.

The Mortgagor shall not permit the construction of any extension, addition or new structure on the Land or adjoining property now or hereafter controlled by the Mortgagor nor the removal or demolition of the same in whole or in part, except with the prior written consent of the Bank and to the extent expressly permitted by the Loan Agreement. All right, title and interest of the Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to the Mortgaged Property, hereafter acquired by or released to the Mortgagor or constructed, assembled or placed by the Mortgagor on the Land, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by the Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Mortgagor and specifically described in the Granting Clause hereof, but at any and all times the Mortgagor will execute and deliver to the Issuer any and all such further assurances, mortgages, conveyances or assignments thereof as the Issuer may reasonably require for the purpose of expressly and specifically subjecting the same to the lien of this Mortgage.

5. Pursuant to Section 6.2 of the Loan Agreement, the Mortgagor will pay when due all taxes, assessments, and other charges of every type or nature assessed or which may be assessed against the Mortgaged Property or any part thereof or upon the interest of the Issuer in said

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Mortgaged Property or upon any personal property, without any deduction, defalcation or abatement, and will pay, when due, any other taxes, assessments or charges, claims or encumbrances that might become a lien prior to the lien of this Mortgage.

6. If Mortgagor shall not elect to contest taxes as provided in Section 6.2 of the Loan Agreement and upon request of the Bank, or Issuer, the Mortgagor will produce or cause to be produced to the Bank, or Issuer not later than ten (10) days before the date on which any taxes, assessments and other charges bear interest or penalties, paid receipts for all such taxes, assessments and other charges.
7. Subject to Section 6.2(b) of the Loan Agreement, the Mortgagor may in good faith contest, by proper legal proceedings, the validity or amount of any tax or assessment which the Mortgagor has agreed to pay under this Mortgage, provided that the Mortgagor will pay such contested item and all costs and penalties when due.
8. The Mortgagor shall at all times at the cost and expense of the Mortgagor cause the Mortgaged Property to be constantly insured against such risks as the Bank may reasonably request, as is required by Sections 6.3 and 6.4 of the Loan Agreement. Notice of loss or damage to the Mortgaged Property shall be given to the Issuer, the Bank and the Bondholders, and the Mortgaged Property shall be repaired or rebuilt in accordance with Article VII of the Loan Agreement, and the proceeds of any such insurance shall be applied in the manner provided in Section 7.1 of the Loan Agreement.

If the Mortgaged Property covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held as hereinabove provided, the amounts paid by any insurance company in pursuance of the contract of insurance to the extent of the indebtedness then remaining unpaid, shall be paid to the Bank and the Mortgagor in accordance with Article VII of the Loan Agreement, and applied to the debt or released for the repairing or rebuilding of the Mortgaged Property pursuant to Section 7.1 of the Loan Agreement.

9. Any insurance policies required by Section 8 of this Mortgage shall provide that any loss thereunder payable to the Bank, the Issuer and the Mortgagor, as their respective interests may appear, shall be payable notwithstanding any act or negligence of the Mortgagor or of any occupant of any portion of the Mortgaged Property,

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which would otherwise result in a forfeiture of such insurance, and that in no event shall such policy be cancelled without at least thirty (30) days' prior written notice to the Issuer and the Bank, and such policies shall contain no endorsement permitting cancellation for default in payment of a loan whereby the premium has been financed.

10. The Mortgagor has obtained a good and marketable title to all of the Mortgaged Property free and clear of all encumbrances except for Permitted Encumbrances (as defined in the Loan Agreement), and will warrant and defend the same against all lawful claims and mechanics' or other liens of all persons whomsoever.
11. If the Mortgagor defaults under any prior mortgage or deed of trust or fails to cause to be paid any claim, lien or encumbrance which shall be prior to this Mortgage, or to pay, when due, any tax or assessment as herein required or to pay when due any insurance premium, or to keep the Mortgaged Property in repair, as aforesaid, or shall commit or permit waste, or if there be commenced any action or proceeding affecting the Mortgaged Property or the title thereto, then the Issuer or its assigns, at their option, may pay such claim, lien, encumbrance, tax, assessment or premium, with right of subrogation thereunder, may procure such abstracts or other evidence of title as they deem necessary, may make such repairs and take such steps as they deem advisable to prevent or cure such waste, and may appear in any such action or proceeding and retain counsel therein and take such action therein as they deem advisable, and for any of such purposes they may advance such sums of money as they deem necessary. No such payment by the Issuer or its assigns shall impair or affect any of their rights hereunder arising in consequence of such failure by the Mortgagor. The Mortgagor shall reimburse the Issuer or its assigns for any amount so paid by the Issuer or its assigns pursuant to this Section 11, together with interest thereon from the date of payment by the Issuer or its assigns at the rate of interest equal to the Prime Rate (as defined in the Loan Agreement) and such amount, together with such interest, shall become additional indebtedness secured by this Mortgage, which indebtedness shall become due and payable with the next monthly installment. Failure to pay said sum, as and when due, shall constitute an Event of Default hereunder. The Issuer or its assigns shall have the right to foreclose for any such amount not so repaid or for any unpaid installment of principal or interest, subject to the lien of this Mortgage for the balance of the mortgage debt not then due, but the Mortgagor shall continue to be liable for the payment of the entire indebtedness until it has been paid in full.

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The Bank shall be the sole judge of the legality, validity and priority of any such claim, lien, encumbrance, tax, assessment and premium, and of the amount necessary to be paid in satisfaction thereof.

12. The Mortgagor agrees to execute and deliver to the Issuer or its assigns from time to time on demand, security agreements and financing statements and such other instruments as it may require. The whole of the principal sum and interest due on the Facility Note shall become due at the option of Issuer or its assigns if the Mortgagor fails or refuses to comply with the requirements of this Paragraph 12.
13. Neither the value of the Mortgaged Property nor the lien of this Mortgage will be diminished or impaired in any way by any act or omission of the Mortgagor and the Mortgagor will not do or permit to be done to, in, upon or about said Mortgaged Property or any part thereof, anything that may in any way impair the value thereof, or weaken, diminish or impair the security of this Mortgage.
14. The Mortgagor (a) will comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Mortgaged Property, and will not suffer or permit any violation thereof; and (b) will not permit the transfer, sale, conveyance, lease or other disposition of the Mortgaged Property except in the manner provided for in Article IX of the Loan Agreement.
15. The Mortgagor will protect, save harmless and indemnify the Issuer, its officers, agents, employees and its assigns, from and against any and all claims, liabilities, costs and expenses, of whatever nature, which may arise or result, directly or indirectly, by reason of the use or occupation of the Mortgaged Property or any part thereof.
16. If any additional sum or sums shall become due and owing by the Mortgagor to the Issuer, or its assigns pursuant to the provisions hereof, the affidavit of the Issuer or its assigns to the effect that such amounts arise from and are due and owing pursuant to the Bond Purchase Agreement, the Loan Agreement, the Facility Note, or this Mortgage or any document contemplated by any of the foregoing shall be sufficient evidence of the fact that such additional sums are secured hereby in the amount set forth in such affidavit.

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17. Should the Issuer or its successors or assigns, be made defendant in any suit involving the title to any of the properties hereby conveyed, or involving the validity or priority of the lien of this Mortgage, then it is agreed that in every such case an attorney's fee in a reasonable amount shall be fixed by the court in which said suit may be pending, and may be adjudged in favor of the attorney or attorneys of record representing the said parties, or any of them, therein, which fee shall be adjudged against the Mortgagor, on motion made therein therefor as a part of the costs of such proceedings, and that such reasonable costs and expenses of the said parties, or any of them, shall also be fixed and adjudged as costs therein by the court, and it is agreed that all such fees, costs, and expenses of every such proceeding shall be adjudged against said Mortgagor, and when so adjudged shall be secured by this Mortgage.
18. All of the grants, covenants, terms, provisions, warranties, agreements and conditions herein shall run with the Land and shall apply to, bind and inure to the benefit of, the successors and assigns of the Mortgagor and the successors and assigns of the Issuer.
19. Events of Default. Any one or more of the following shall constitute an "Event of Default" as the term is used herein:
- (a) Failure to make any payment required on the Facility Note secured hereby; or
 - (b) An "Event of Default" within the meaning of the Loan Agreement shall occur; or
 - (c) Default shall occur in the observance or performance of any other material provision of this Mortgage and such default shall continue for thirty (30) days after notice thereof to the Mortgagor by the Issuer or Bank; or
 - (d) Any representation or warranty made by the Mortgagor herein, or made by the Mortgagor in any statement or certificate furnished by the Mortgagor in connection with the consummation of the issuance and sale of the Bond or furnished by the Mortgagor pursuant hereto, shall prove untrue in any material respect as of the date of the issuance or making thereof; or
 - (e) The Mortgagor, or either of its General Partners, shall have entered against it or them, or on its or their behalf an order for relief under the federal bankruptcy laws, or any other similar laws, or shall become insolvent,

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or shall make an assignment for the benefit of its or their creditors, or fail to generally pay its or their debts as such debts become due, or shall apply for or consent to the appointment of a trustee or receiver for the Mortgagor or either of its general partners or for a major part of its or their property; or

- (f) A custodian (including without limitation a trustee or receiver) shall be appointed for the Mortgagor or for the major part of the property of Mortgagor or either of its general partners and shall not be discharged within sixty (60) days after such appointment; or
- (g) Bankruptcy or insolvency proceedings or other proceedings for relief under any bankruptcy law or similar law, whether federal or state, for the relief of debtors, shall be instituted by or against the Mortgagor or either of its general partners, and if instituted against the Mortgagor or either of its general partners, shall be consented to or shall not be dismissed within sixty (60) days after such institution.

20. Acceleration Upon Default; Additional Remedies. Upon any Event of Default, the Issuer may, by notice in writing sent by registered or certified mail to the Mortgagor, declare the entire principal of, premium, if any, and all interest accrued on the Facility Note to be due, and such principal of, premium, if any, and interest on the Facility Note shall thereupon become, forthwith due and payable without any presentment, demand, protest or other notice of any kind, except as provided herein and in the Loan Agreement, all of which are hereby expressly waived. Upon the Facility Note becoming due and payable as a result of any Event of Default as aforesaid, the Mortgagor will forthwith pay the entire principal of, premium, if any and interest accrued on the Facility Note. The Issuer may, upon the failure of the Mortgagor to make any payments hereby due under the Facility Note:

- (a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Mortgaged Property, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Mortgaged Property, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorneys' fees, as provided in paragraph 22 hereof

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in respect of the sale of the Mortgaged Property. The entering upon and taking possession of the Mortgaged Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any Event of Default or notice thereof hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice thereof and, notwithstanding the continuance in possession of the Mortgaged Property or the collection, receipt and application of rents, issues or profits, the Issuer shall be entitled to exercise every right provided for in this Mortgage or by law upon occurrence of any Event of Default;

- (b) Commence an action to foreclose this Mortgage, including the exercise of all rights granted a mortgagee pursuant to Chapter 110 of the Illinois Revised Statutes, appoint a receiver, or specifically enforce any of the covenants hereof;
 - (c) Foreclose, sell and dispose of the Mortgaged Property, or any part thereof, if at the time such action may be lawful and, subject to compliance with any mandatory statutory requirements (the Mortgagor for itself and for all who may claim by, through or under it hereby expressly waiving and releasing all rights to have the property covered by the lien of this Mortgage marshalled);
 - (d) The Issuer, as a matter of right and without regard to the then value of the Mortgaged Property or the interest of the Mortgagor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Property, and the Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like similar cases and all the powers and duties of the Issuer, in case of entry as provided in paragraph 20(a) and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Property unless such receivership is sooner terminated.
21. Remedies Not Exclusive. The Issuer shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Mortgage or other agreement or any laws now or hereafter in force, notwithstanding that some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether

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by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect, the Issuer's right to realize upon or enforce any other security now or hereafter held by the Issuer, it being agreed that the Issuer shall be entitled to enforce this Mortgage and any other security now or hereafter held by the Issuer in such order and manner as the Issuer may in its absolute discretion determine. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other remedy hereby or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by this Mortgage to the Issuer or to which it may be entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Issuer and the Issuer may pursue inconsistent remedies.

22. Application of Proceeds. The proceeds and/or avails of any sale of the Mortgaged Property, or any part thereof and the proceeds and the avails of any other remedy exercised by the Issuer hereunder shall be paid to and applied as follows:
- (a) To the payment of costs and expenses of such sale, or other remedy, if any, and the reasonable compensation of the Issuer, its agents, its counsel, and of all proper expenses, liabilities and advances incurred or made hereunder by the Issuer, and of all taxes, assessments or liens superior to the lien of this Mortgage, except any taxes, assessments or other superior lien subject to which said sale may have been made, with accrued interest at the lower of the Prime Rate (as defined in the Loan Agreement) or the highest rate permitted by law;
 - (b) To the payment of the amount then owing or unpaid on the Facility Note for principal, premium, if any, and interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid on the Facility Note, then first, to the unpaid principal thereof, second, to the unpaid premium, if any, and interest thereon; and
 - (c) To the payment of the surplus, if any, to the Mortgagor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

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23. Effect of Discontinuance of Proceedings. In case the Issuer shall have proceeded to enforce any right under this Mortgage by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then and in every such case the Mortgagor and the Issuer shall be restored to their former positions and rights hereunder with respect to the Mortgaged Property subject to the lien of this Mortgage.
24. Delay or Omission Not a Waiver. No delay or omission of the Issuer to exercise any right or power arising from any Event of Default on the part of the Mortgagor shall exhaust or impair any such right or power or prevent its exercise during the continuance of such Event of Default. No waiver by the Issuer of any such Event of Default, whether such waiver be full or partial, shall extend to or be deemed to affect any subsequent default, or to impair the rights resulting therefrom, except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy given hereunder or otherwise existing. Nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Mortgage indebtedness secured under this Mortgage operate to prejudice, waive or affect the security of this Mortgage or any rights, powers or remedies hereunder; nor shall Issuer be required to first look to, enforce or exhaust such other additional security, collateral or guaranty.
25. Binding Effect. This Mortgage and all provisions hereof shall extend to and be binding upon the Mortgagor and all parties claiming by, through or under the Mortgagor, and each of them. The term "Issuer" shall be deemed to mean and include the endorsee(s), transferee(s), or the holder(s) at the time being of the Facility Note hereinabove described, and the successor or successors and assigns of said Issuer, including specifically, but not limited to, the Bank, and the term "Bank" shall be deemed to mean and include the endorsees, transferees, or the holders at the time of the Bond; and the covenants and agreements shall bind and inure to the benefit of the successors and assigns of the Mortgagor and the endorsee(s), transferee(s) and successor(s) of the Issuer.
26. Mortgagor's Possession; Release of Mortgaged Property. Until an Event of Default, as herein defined, shall occur, the Mortgagor shall be entitled to remain in possession of the Mortgaged Property, and if the Mortgagor shall well and truly pay or cause to be paid to the Issuer the Loan Repayments (as defined in the Loan Agreement) with interest thereon, and the other obligations

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and covenants hereby secured as and when the same shall become due and payable under the terms of said Facility Note, then this Mortgage shall cease and be void and the Mortgaged Property shall be released at the cost of the Mortgagor.

27. Notices. All notices, demands, requests and other communications hereunder shall be in writing and shall be deemed given if sent by mail when deposited in the mails, and if sent by telegraph or telex, when sent, and all mail shall be sent by certified mail, return receipt requested, addressed as follows to the respective parties hereto at their respective addresses specified below or such other addresses as either party may specify in writing to the other:

To the Mortgagor:

2240 West Diversey, an Illinois General Partnership
2240 West Diversey
Chicago, Illinois
Attention: Mr. David R. Dahlstrom
Mr. Samuel L. Carlin

with a copy to

Sonnenschein, Carlin, Nath & Rosenthal
8000 Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606
Attention: Thomas S. Linden

To the Issuer:

Illinois Development Finance
Authority
Two North LaSalle Street
Chicago, Illinois 60690
Attention: Executive Director

To the Bank:

Devon Bank
6445 North Western Avenue
Chicago, Illinois 60645
Attention: David J. Faron

With a copy to:

Greenbaum, Browne, Cain,
Wolf & Dolin, Ltd.
180 North LaSalle Street
Suite 3100
Chicago, Illinois 60601

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A duplicate copy of each notice, demand, request or other communication given hereunder by either the Mortgagor or the Issuer to the other shall be given to the Bank. The Issuer, the Mortgagor and the Bank may, by notice given hereunder, designate any further or different address to which subsequent notices, demands, requests and other communications shall be sent.

28. Governing Law. This Mortgage has been made in the State of Illinois and shall be governed exclusively by the applicable laws of Illinois.
29. Severability. In case any one or more of the provisions contained in this Mortgage shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.
30. Amendments. This Mortgage may not be amended, changed, modified, altered or terminated without the written consent of the parties hereto and the concurring written consent of the Bank.
31. Maximum Indebtedness. Notwithstanding anything to the contrary herein contained, in no event shall the Indebtedness secured hereby exceed the sum of Fifty Million Dollars (\$50,000,000.00).
32. Mortgagor's Waiver of Rights. To the extent permitted by law, the Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale pursuant to a foreclosure of this Mortgage for any portion of the Mortgaged Property, and (ii) the benefit of all laws that may be hereafter enacted in any way extending the time for the enforcement of the collection of the Facility Note or the debt evidenced thereby or creating or extending any period of redemption from any sale made in collecting said debt. To the full extent the Mortgagor may do so, the Mortgagor agrees that the Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and the Mortgagor, for the Mortgagor, the Mortgagor's representatives, successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Property, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraise-


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ment, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created; provided, however, this paragraph 31 shall not affect any rights the Mortgagor may have to notice set forth in this Mortgage. If any law referred to in this paragraph and now in force, of which the Mortgagor, the Mortgagor's representatives, successors and assigns or other person might take advantage despite this paragraph, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this paragraph.

IN WITNESS WHEREOF, Mortgagor has caused the execution of this instrument in their names, the date and year first above written.

2240 West Diversey, an Illinois
General Partnership

By: 
David R. Dahlstrom, General
Partner

By: 
Samuel L. Carlin, General
Partner

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FOR VALUE RECEIVED, the undersigned hereby pledges, delivers, assigns, transfers and grants unto Devon Bank, as Bond Purchaser, pursuant to the Bond Purchase Agreement, dated as of March 15, 1986 from the undersigned to said Bank, all of its right, title and interest in and to this Mortgage.

ILLINOIS DEVELOPMENT FINANCE
AUTHORITY

ATTEST:

BY:

[Signature]
Assistant Secretary

By:

[Signature]
Executive Director

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STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

On this 10th day of June, 1986, before me appeared _____ and _____, who duly sworn did say that they are the Executive Director and Assistant Secretary, respectively of the Illinois Development Finance Authority and that the seal affixed to the foregoing instrument is the seal of said organization and that said instrument was signed and sealed on behalf of said organization by authority of its Board of Directors, and said Executive Director and Assistant Secretary acknowledged said instrument to be the free act and deed of said organization.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Teressa Gianos
Notary Public

My commission expires:

Jan. 5, 1989

COOK County Clerk's Office

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ACKNOWLEDGEMENT

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

I, Teresa Grant, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that David R. Dahlstrom and Samuel L. Carlin personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledge that they signed and delivered the said instrument as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 10th day of June, 1986.

Teresa Grant
NOTARY PUBLIC

My commission expires:

Jan 5, 1989

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EXHIBIT 2 3 5 0 3 4

THE SOUTH 8 FEET OF LOT 11 AND ALL OF LOTS 12 TO 24, BOTH INCLUSIVE, AND THE WEST 184 FEET OF LOT 31, ALL IN BLOCK 7 IN CLYBOURN AVENUE ADDITION TO LAKEVIEW IN CHICAGO IN SECTION 30, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as 2240 West Diversey, Chicago, Illinois

Permanent Index Numbers: 14-30-118-010-0000; 14-30-118-013-0000;
14-30-118-014-0000; 14-30-118-021-0000.
Lot 31 *Lot 15-20*
Lot 21-24 *Lot 5 11-14*

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EXHIBIT B

1986 INDUSTRIAL DEVELOPMENT FACILITY NOTE (Dahlstrom Display Facility)

WHEREAS, the Illinois Development Finance Authority (the "Issuer"), has issued its Industrial Development Revenue Bond, Series 1986 (Dahlstrom Display Facility) in the principal amount of Nine Hundred Seventy-Five Thousand Dollars (\$975,000) (the "Bond") pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), dated as of March 15, 1986 the terms of which are incorporated herein and made a part hereof, by and between the Issuer and Devon Bank, as Bond Purchaser (the "Bank"); and

WHEREAS, the Issuer has loaned the proceeds from the sale of its Bond to 2240 West Diversey, an Illinois General Partnership (hereinafter referred to as the "Maker"), pursuant to a Loan Agreement (the "Loan Agreement"), dated as of March 15, 1986, by and between the Issuer and Maker for the purpose of acquiring and rehabilitating the existing facility located at 2240 West Diversey, Chicago, Illinois, as more particularly described in Exhibit A to the Agreement; and

WHEREAS, this Facility Note is to be assigned to the Bank as collateral security for the performance of the Issuer's obligations under the Bond;

NOW THEREFORE:

FOR VALUE RECEIVED, Maker promises to pay to the order of the Issuer the principal sum of NINE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$975,000) together with interest on the unpaid outstanding principal balance thereof from the date of delivery hereof until the principal amount of this Facility Note is paid in full at a rate equal to seventy-five percent (75%) per annum of the standard prime or base rate of interest announced by Devon Bank as being in effect as its "base rate" on commercial loans (the "Prime Rate") which rate shall be initially determined on the date of delivery hereof and subsequently adjusted as and when said Prime Rate changes. The Prime Rate shall be determined without reference to the actual interest rate charged by Devon Bank to its customers. The principal amount and interest shall, subject to the provision for mandatory prepayment described below, be payable as follows:

Interest on the principal amount of this Facility Note then outstanding shall be payable commencing on the first day of July, 1986, and on the first day of each calendar month thereafter until the principal amount and all accrued interest on this Facility Note shall have been paid in full. In addition to interest payments, as set forth above, commencing on the first day of July 1, 1986 and on the first day of each calendar month thereafter, Maker shall pay installments of principal of Four Thousand Sixty-Two Dollars and 50/100 (\$4,062.50), with the remaining unpaid principal balance being due and payable on June 1, 2006.

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Notwithstanding the foregoing, the Issuer may call this Facility Note for immediate redemption in whole on July 1, 1996 or on July 1, 2001 upon ninety (90) days prior written notice to the Maker and the Bank, and in such event the entire unpaid principal balance of the Facility Note plus all accrued interest thereon shall be immediately due and payable.

Interest on this Facility Note shall be calculated on the basis of actual days elapsed in a 360-day year. Accrued interest on any unpaid principal amount of this Facility Note shall be paid concurrently with such principal payments. All payments shall be applied first to accrued interest and the balance to the unpaid principal balance hereof.

In the event any payment of principal, premium, if any, or interest shall become overdue, the Maker agrees to pay the same together with interest thereon at a rate equal to three percent (3%) over the applicable rate of interest then payable from the date on which payment was due until the date on which payment is made plus any expenses incurred for attorney fees or other costs of collection.

In the event that a "Determination of Taxability" shall have occurred, or upon the occurrence of such other events causing Adjusted Interest or Other Payments (as defined in the Agreement), the Maker shall pay to the Bank on behalf of the Issuer such additional amounts as are required to be paid with respect to the Bond pursuant to the Bond Purchase Agreement.

This Facility Note may be prepaid, in whole (at any time) or in part, at the option of the Maker on any date upon which principal is payable on this Facility Note on or after the Closing Date (as defined in the Loan Agreement) in accordance with the provisions of Section 11.1(a) of the Loan Agreement. Any such partial prepayment shall be applied to the principal installments due under this Facility Note in accordance with Section 1301 of the Bond Purchase Agreement. In addition, this Facility Note shall be prepaid (i) by the amount, if any, by which the Bond Proceeds thereof exceed the Cost of the Facility, (ii) by the amount, if any, of Net Proceeds of (a) title insurance and (b) amounts received from or on behalf of contractors or subcontractors, as provided in Sections 3.2 and 4.6, respectively of the Loan Agreement, and (iii) by the amount, if any, by which the Net Proceeds of any insurance or any Condemnation award with respect to the Facility (as defined in the Loan Agreement) exceed the cost of repairing or restoring, or are not used to repair or restore, the Facility, as provided in Sections 7.1 or 7.2, as the case may be, of the Loan Agreement. If called for prepayment as provided in (i) through (iii) above, this Note shall be subject to prepayment by the Maker as a whole or in part, as the case may be, on any date upon which principal is payable on the Bond prior to maturity,

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on or after the Closing Date without a prepayment penalty and applied to the principal installments due hereunder in the inverse order of maturity.

All payments of principal, redemption premium, if any, and interest shall be made to the Bank at 6445 North Western Avenue, Chicago, Illinois 60645, Attention: Loan Processing Department, or at any other place designated by any successor in lawful money of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, on each payment date described above.

This Facility Note is issued pursuant to Section 5.3(a) of the Loan Agreement to evidence the obligation of the Maker to repay the Loan (as defined in the Loan Agreement). No reference herein to the Loan Agreement shall impair the obligation of the Maker to pay the principal of, premium, if any, and interest on this Facility Note at the time and place and in the currency herein prescribed.

To the fullest extent permitted by law the obligations of the Maker hereunder shall be absolute and unconditional and shall remain in full force and effect until this Facility Note and interest hereon shall have been paid in full. Such obligations shall not be affected, modified or impaired by any state of facts or the happening from time to time of any event, including without limitation any of those events described in Sections 5.5, 7.1 and 7.2 of the Loan Agreement.

To the extent that Maker shall make any payments on account of the Bond to the Bank, such payments shall, pro tanto, be deemed payments under this Facility Note; provided, however, that nothing in this paragraph or Facility Note contained shall in any way diminish the Makers' obligation to pay the additional amounts required under Section 801B of the Bond Purchase Agreement following a Determination of Taxability (as defined in the Bond Purchase Agreement).

DEFAULTS BY MAKER

Events of Default Defined. The following shall be "Events of Default" under this Facility Note:

- (1) The occurrence of an "Event of Default" under the Loan Agreement; or
- (2) The occurrence of an "Event of Default" under the Mortgage.
- (3) The occurrence of an "Event of Default" under any of the other Bond Documents.

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Remedies Upon the Happening of any Event of Default. (a) If the Maker shall fail forthwith to pay any amount due under any of the Bond Documents upon demand, the Bank may institute any actions or proceedings at law or in equity for the collection of such amounts, may prosecute any such action or proceeding to judgment or final decree against the Maker and may collect out of the property of the Maker the moneys adjudged or decreed to be payable in any manner provided by law.

(b) In case there shall be pending proceedings for the bankruptcy of the Maker or either of its general partners under Federal or State bankruptcy laws or any other applicable law, or in case a custodian, receiver or trustee shall have been appointed for the property of the Maker or either of its general partners or in the case of any other similar judicial proceedings relative to the Maker or either of its general partners or to the creditors or property of the Maker or either of its general partners, the Bank may, by intervention in such proceedings or otherwise, file and prove a claim or claims for the whole amount specified in subsection (a) hereof, and may take such other action as may be necessary or advisable to collect and receive any moneys or other property payable or deliverable on any such claims. Any custodian, receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Bank.

(c) If the Bank shall have proceeded to enforce any right under this Facility Note and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bank, the Maker and the Bank shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Maker and the Bank shall continue as though no such proceeding had been taken.

This Facility Note is secured by a Guaranty, a Mortgage and an Assignment of Rents and Leases covering the Facility, which Mortgage and Assignment of Rents and Leases will be recorded in the Office of Recorder of Deeds for Cook County, Illinois from the undersigned to the Issuer.

IN WITNESS WHEREOF, the Maker has caused this Facility Note to be duly executed and delivered.

Dated as of March 15, 1986

2240 West Diversey, an Illinois
General Partnership

By: _____
David R. Dahlstrom, General
Partner

By: _____
Samuel L. Carlin, General
Partner

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PAY TO THE ORDER OF DEVON BANK, AS BOND PURCHASER WITHOUT RECOURSE, PURSUANT TO THE BOND PURCHASE AGREEMENT, DATED AS OF MARCH 15, 1986 BY AND BETWEEN THE ILLINOIS DEVELOPMENT FINANCE AUTHORITY AND DEVON BANK.

(SEAL)
ATTEST:

Illinois Development Finance
Authority

By: _____
Assistant Secretary

By: _____
Executive Director

Dated as of March 15, 1986

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