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LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

THIS LEASEHOLD MORTGAGE AND SECURITY AGREEMENT, made this 26 day of June, 1986 between BRITTANY, LTD., an Illinois corporation (hereinafter called "Mortgagor"), and EXCHANGE NATIONAL BANK OF CHICAGO (hereinafter called "Mortgagee");

W I T N E S S E T H:

WHEREAS, in and by a certain Promissory Note (hereinafter called the "Note") bearing even date herewith, Mortgagor is indebted to Mortgagee in the principal sum of Seven Hundred Fifty Thousand Dollars (\$750,000), lawful money of the United States of America, with interest thereon at the rates set forth in the Note being due and payable as provided in the Note, conditioned upon the keeping, observance, performance and compliance with all the other terms, conditions and agreements on Mortgagor's part to be kept, observed and performed under the Note and this Mortgage;

NOW, THEREFORE, in order further to secure the payment of all sums due or to become due under the Note, or under the terms of this Mortgage and any other loan documents evidencing or securing the indebtedness secure hereby (the Note, Mortgage and such other loan documents are herein collectively called the "Loan Documents"), or any extensions, refinancings, refundings or modifications thereof, as well as to secure the performance and observance of all Mortgagor's covenants and agreements contained in the Mortgage and the other Loan Documents or any amendments thereof (whether or not Mortgagor is personally liable for such payment, performance or observance), and in consideration of the premises and the further sum of Ten Dollars (\$10.00) to Mortgagor in hand well and truly paid by Mortgagee and for other good and valuable consideration at and before the sealing and delivery hereof, the receipt and sufficiency of which is hereby acknowledged, Mortgagor has granted, bargained and sold, mortgaged, conveyed, remised, aliened, enfeoffed, released, confirmed, assigned, transferred and set-over, and by these presents does grant, bargain and sell, mortgage, convey, remise, alien, enfeoff, release, confirm, assign, transfer and set-over unto Mortgagee, its successors and assigns, all of Mortgagor's interest in that certain tract of land situate in Chicago, Illinois more particularly described in Exhibit A attached hereto and made a part hereof (the "Land") pursuant to that certain Store Lease dated July 15, 1964, as amended by Modification of Lease Amendment dated September 3, 1974, as further amended by Modification of Lease Amendment dated April 8, 1980, and as further amended by Third Amendment to Store Lease dated June 26, 1986 (as amended, the "Lease").

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TOGETHER with all right, title and interest of Mortgagor in and to any and all improvements now or hereinafter erected or installed on the Land (sometimes referred to herein as "leasehold improvements").

TOGETHER with all rights and benefits of whatsoever nature derived or to be derived by the Mortgagor under or by virtue of the Lease, including without limitation the right to exercise options, to give consents, and to receive monies payable to the lessee thereunder.

TOGETHER with all subleases now or hereafter entered into by the Mortgagor, the subreversions thereunder and all rights and benefits to be derived by the Mortgagor therefrom.

TOGETHER with all rents, income, issues and profits of the Leasehold Estate.

TOGETHER with the tenements, hereditaments, appurtenances and all the estates and rights of Mortgagor in and to the Land or under the Lease.

TOGETHER with right, title and interest of Mortgagor in and to all fixtures, fittings, appliances, apparatus, equipment, machinery, chattels and articles of personal property of every kind and character, together with the renewals, replacements and substitutions thereof, additions and accessions thereto (hereinafter collectively called the "Fixtures"), now or at any time hereafter affixed to or attached to or placed upon or used in any way in connection with the Land or the premises demised by the Lease, all of which now or hereafter so affixed, placed or used are intended to be subject to the lien of this Mortgage as if part of the real estate, and all cash and non-cash proceeds thereof.

TOGETHER with all right, title and interest of Mortgagor in and to any and all deposits made under any conditional bill of sale, chattel mortgage or security interest (other than that created hereby) to which any Fixtures are or shall be subject, and all deposits made thereunder, together with the benefit of any payments now or hereafter made thereon.

TOGETHER with all right, title and interest of Mortgagor as lessee under any and all leases relating to any Fixtures, together with any options to purchase the Fixtures which are subject to such leases and together with the benefit of any payments now or hereafter made thereon.

TOGETHER with all right, title and interest of Mortgagor in and to any and all awards, damages, payments and other compensation and any and all claims therefor and rights thereto which may result from taking or injury by virtue of the exercise of the power of eminent domain of or to , or any damage, injury or destruction in any manner caused to, the Land, the Lease, or

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any part thereof, or from any change of grade or vacation of any street abutting thereon, all of which awards, damages, payments, compensation, claims and rights are hereby assigned, transferred and set over to Mortgagee to the fullest extent that Mortgagor may under the law so do. Mortgagee, or any officer of Mortgagee, is hereby irrevocably appointed attorney-in-fact, coupled with an interest, for Mortgagor to settle for, collect and receive any such awards, damages, payments and compensation from the authorities making the same, to appear in and prosecute any proceeding therefor, and to give receipts and acquittances therefor.

TOGETHER with all right, title and interest of Mortgagor in and to all unearned premiums accrued, accruing or to accrue under any and all insurance policies now or hereafter obtained by Mortgagor.

TOGETHER with all proceeds of the conversion, voluntary or involuntary, of any or all of the foregoing into cash or liquidated claims, including without limitation, proceeds of insurance and condemnation awards.

ALL of which property and rights therein hereinabove described or mentioned being hereinafter collectively called, the "Mortgaged Property."

TO HAVE AND TO HOLD the Mortgaged Property unto Mortgagee, its successors and assigns, for the balance of the unexpired term of the Lease, for the uses and purposes herein set forth, together with all right to retain possession of the Mortgaged Property after any default in the payment of all or any part of the indebtedness hereby secured or the breach of any covenant or agreement herein contained, or upon the occurrence of any Event of Default as hereinafter defined.

AND at all times until the entire unpaid principal indebtedness of the Note, including all sums now or hereafter due Mortgagee under the terms hereof and thereof, are fully paid, together with all interest thereon, Mortgagor covenants, promises and agrees with Mortgagee as follows:

ARTICLE I

COVENANTS AS TO PAYMENT, PERFORMANCE AND TITLE

Section 1.01. Mortgagor shall pay to Mortgagee, without offset, counterclaim or defense, the entire unpaid principal indebtedness of the Note, including all sums now or hereafter due Mortgagee under the terms hereof or of the other Loan Documents, together with all interest thereon, punctually as and when the same shall become due by the terms thereof or hereof. Mortgagor will fully and faithfully observe and perform all of the terms, provisions, conditions, covenants and agreements on the part of

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Mortgagor to be observed and performed under the Note and the other Loan Documents.

Section 1.02. Mortgagor represents that: (i) Mortgagor is the lessee under the Lease; (ii) the Lease is in full force and effect, and no state of facts exists which with the giving of notice or the mere passage of time would ripen into a default of Mortgagor thereunder; (iii) Mortgagor has good title to the Fixtures; and (iv) this Mortgage is a first and prior lien on and security interest in and to the Mortgaged Property subject to no prior lien and subject to no prior encumbrances except those, if any, permitted in writing by Mortgagee. Mortgagor shall not, without the prior written consent of Mortgagee, install in or locate on the Mortgaged Property any equipment or fixtures which are subject to any security interest, lien or title retention arrangement of any kind other than that created hereby. Mortgagor represents that neither the rents, issues and profits of the Mortgaged Property nor any part thereof have been previously assigned or will be assigned hereafter, except to Mortgagee as further security for the obligations secured hereby. Mortgagor shall preserve such title as herein described and will forever represent and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever.

ARTICLE II

COVENANTS AS TO TAXES, ASSESSMENTS, ETC.

Section 2.01. Mortgagor will, prior to the date on which any interest or penalties shall commence to accrue thereon, pay, discharge and furnish to Mortgagee proper receipts for all taxes, general and special, license or permit fees, city taxes, levies and assessments of every kind and all charges for utilities and utility services, whether or not assessed against Mortgagor, and which may have been or may hereafter be charged, assessed, levied, confirmed, imposed upon, or grow or become due and payable out of, or in respect to, or against, the Mortgaged Property, or any part thereof, or any appurtenance thereto (collectively, the "Impositions"), by any lawful authority or public utility, or which may become a lien thereon, unless the same shall have been fully paid to Mortgagee as provided in Section 2.02 hereof.

Section 2.02. Mortgagor, upon request of Mortgagee, will furnish to Mortgagee within thirty (30) days after the date when any Impositions would become delinquent, official receipts of the appropriate taxing authority or other authority to which the charge is payable, or other evidence reasonably satisfactory to Mortgagee evidencing the payment thereof.

Section 2.03. The certificate, advice or bill of the appropriate official designated by law to make or issue the same or to

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receive payment of any Imposition, of non-payment of such Imposition shall be prima facie evidence that such Imposition is due and unpaid at the time of the making or issuance of such certificate, advice or bill.

ARTICLE III

INSURANCE

Section 3.01. Mortgagor agrees, at Mortgagor's sole cost and expense, to keep the leasehold improvements and Fixtures included in the Mortgaged Property insured at all times throughout the term of this Mortgage (including any period or periods of time during which any such leasehold improvements or Fixtures are in the course of remodeling or construction) and to furnish the following to Mortgagee:

(a) During the course of any construction, remodeling or repair of leasehold improvements on the Mortgaged Property, builder's completed value risk insurance against "all risks of physical loss", with deductibles not to exceed \$1,000 per occurrence (except that deductibles may not exceed \$25,000 per occurrence in the event of earthquake or flood damage, if such coverage is required), in non-reporting form, covering the total value of work performed and equipment, supplies and materials furnished.

(b) Policies of insurance against loss or damage by fire, lightning, windstorm, explosion, riot, riot attending a strike, civil commotion, damage from aircraft and vehicles, and smoke damage and loss or damage from such hazards as are presently included in so-called "extended coverage" and against vandalism and malicious mischief and against such other insurable hazards, including but not limited to flood, as, under good insurance practices, from time to time are insured against for improvements having similar functions and uses in the area where the Mortgaged Property is located. The amount of such insurance shall be not less than the greater of (i) 100% of the "Full Replacement Cost" of such leasehold improvements and Fixtures without deduction for depreciation; or (ii) an amount sufficient to prevent Mortgagee and/or Mortgagor from becoming a co-insurer within the terms of the applicable policies. "Full Replacement Cost," as used herein, means the cost of replacing all such Leasehold improvements and Fixtures. Such Full Replacement Cost shall be determined from time to time (but not more frequently than once in any 12 calendar months) at the request of Mortgagee by an insurer or by an appraiser, engineer, architect or contractor designated by Mortgagor and approved in writing by Mortgagee and paid by Mortgagor. No omission on the part of Mortgagee to request any such determination shall relieve Mortgagor of any of its obligations under this Article III. Each policy shall contain a "Replacement Cost Endorsement."

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(c) Policies of comprehensive general liability insurance on an occurrence basis against claims for bodily injury, including personal injury or death occurring upon or in the Mortgaged Property and on or in the streets adjoining the Mortgaged Property to afford protection to a limit to be determined by Mortgagee, such limit not to exceed the amounts of coverage then customary for commercial property of similar type, size and quality, in the event of bodily injury, personal injury or death of any number of persons or of damage to property arising out of one occurrence. Mortgagor and Mortgagee shall be named insureds under such policies, as their interests may appear.

(d) If requested by Mortgagee, business interruption insurance in such amounts as are satisfactory to Mortgagee.

(e) Such other insurance on the Mortgaged Property or any replacements or substitutions therefor, or additions thereto, and in such amounts as may from time to time be reasonably required by Mortgagee against other insurable hazards or casualties which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the height and type of buildings and improvements, their construction, location, use and occupancy.

Section 3.02. Mortgagor may effect for its own account any insurance not required under the provisions of this Mortgage, but any insurance effected by Mortgagor on the Mortgaged Property, whether or not required under this Article III, shall be for the mutual benefit of Mortgagor and Mortgagee, and shall be subject to all other provisions of this Article III and of Article X hereof and Mortgagor shall provide Mortgagee written notice of such insurance prior to it being effected along with a photocopy of all such policies promptly upon their issuance.

Section 3.03. All insurance shall be subject to the reasonable approval of Mortgagee as to insurance companies, amounts, content and form of policies and expiration dates, and shall contain a mortgagee clause, in favor of Mortgagee, in form and substance satisfactory to Mortgagee. Such policies shall provide for the payment of all costs and expenses incurred by Mortgagee in the event of any contested claim and shall not be cancelled or otherwise terminated without at least ten (10) days prior written notice to Mortgagee.

Section 3.04. Mortgagor will deliver originals of all such policies to Mortgagee, and, not less than fifteen (15) days prior to the expiration date of each such policy, will deliver to Mortgagee a renewal policy or policies marked "premium paid" or accompanied by other evidence of payment satisfactory to Mortgagee. Mortgagor will not permit any condition to exist on the Mortgaged Property which would wholly or partially invalidate the insurance thereon. In the event of the Occurrence of any loss or damage to the Mortgaged Property, Mortgagor will give immediate written notice thereof to Mortgagee, and Mortgagee may

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make proof of loss thereof if not made promptly by Mortgagor. Mortgagee may adjust and compromise any claims under such insurance and collect and receive the proceeds thereof and endorse drafts and Mortgagee is hereby irrevocably appointed attorney-in-fact of Mortgagor for such purposes. Mortgagee shall apply such proceeds of all casualty insurance in accordance with the provisions of Article X of this Mortgage. Mortgagee may deduct from such proceeds any expense incurred by Mortgagee in collecting the same (including reasonable counsel fees).

ARTICLE IV

REPAIRS, MAINTENANCE AND REMOVAL

Section 4.01. Mortgagor will not cause or permit any leasehold improvement or other property now or hereafter covered by the lien of this Mortgage and comprising part of the Mortgaged Property to be removed, or demolished or materially changed or altered, in whole or in part, or any Fixture comprising part of the Mortgaged Property to be removed, severed or destroyed, without the prior written consent of Mortgagee. Simultaneously with, or prior to, any such permitted removal any such Fixtures shall be replaced with other Fixtures to perform the function of the Fixtures removed and of a value at least equal to that of the Fixtures replaced and free from any title retention or security agreement or other encumbrance. By such removal and replacement Mortgagor shall be deemed to have subjected such Fixtures to the lien and security interest of this Mortgage. Mortgagor will not abandon or cause or permit any waste to the Mortgaged Property. Mortgagor will pay all license fees and similar municipal charges for the use of the Mortgaged Property and will not, unless so required by any governmental agency having jurisdiction, discontinue such use without prior written consent of Mortgagee.

Section 4.02. Throughout the term of this Mortgage, Mortgagor, at its sole cost and expense, will take good care of the Mortgaged Property and will keep the same in good order and condition, and make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, and unforeseen and foreseen. All repairs made by Mortgagor shall be equal in quality and class to the original work. The necessity for and adequacy of repairs to the leasehold improvements pursuant to this Article hereof shall be measured by the standard which is appropriate for facilities of similar construction and class, provided that Mortgagor shall in any event make all repairs necessary to avoid any damage or injury to the leasehold improvements and to keep the buildings, structures and improvements in a proper condition for their intended uses.

Section 4.03. Mortgagor will permit Mortgagee and Mortgagee's representatives to enter the Mortgaged Property at reasonable times to inspect the same. In case any Event of Default shall occur, Mortgagee may, at its option, enter the

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Mortgaged Property to protect, restore or repair any part thereof. Mortgagee shall not be liable to Mortgagor or any person in possession under Mortgagor if it does enter the Mortgaged Property.

ARTICLE V

COMPLIANCE WITH LAWS, ORDINANCES, ETC.

Section 5.01. Throughout the term of this Mortgage, Mortgagor, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, courts, departments, commissions, boards and officers, any national or local Board of Fire Underwriters, or any other body exercising functions similar to those of any of the foregoing, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Mortgaged Property or any part thereof or to the use or manner of use of the Mortgaged Property.

Section 5.02. Mortgagor shall have the right, after prior written notice to Mortgagee, to contest by appropriate legal proceedings diligently conducted in good faith, without cost or expense to Mortgagee, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature referred to in Section 5.01 hereof, and which does not subject Mortgagee to any criminal or civil liability, subject to the following:

(a) If by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith may legally be delayed pending the prosecution of any such proceeding without the incurrence of any lien or charge of any kind against the Mortgaged Property (as may be determined in Mortgagee's sole judgment), Mortgagor may delay compliance therewith until the final determination of such proceeding.

(b) If any lien or charge against the Mortgaged Property would or might be incurred by reason of any such delay (as may be determined in Mortgagee's sole judgment), Mortgagor nevertheless may contest as aforesaid and delay as aforesaid, provided Mortgagor (i) furnishes to and maintains with Mortgagee security, at all times reasonably satisfactory to Mortgagee, against any loss or injury by reason of such contest or delay, and (ii) prosecutes such contest with due diligence.

Section 5.03. Mortgagor will promptly perform and observe, or cause to be performed or observed, all of the terms, covenants and conditions of the Lease and of all instruments of record affecting the Mortgaged Property, non-compliance with which may affect the security of this Mortgage, or which may impose any duty or obligation upon Mortgagor or any other occupant of the

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Mortgaged Property or any part thereof, and Mortgagor shall do or cause to be done all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of or constituting any portion of the Mortgaged Property.

ARTICLE VI

CHANGES AND ALTERATIONS BY MORTGAGOR

Section 6.01. Subject to any provisions of Articles X and XI hereof to the contrary, Mortgagor shall have the right from time to time during the term of this Mortgage to make, at its sole cost and expense, changes and alterations in or to the leasehold improvements included in the Mortgaged Property, subject, however, to the following:

(a) No change or alteration involving an estimated cost of more than \$5,000 for any single change or alteration, nor \$50,000 for all such changes and alterations in the aggregate while the Mortgage shall remain unsatisfied of record, shall be undertaken without Mortgagee's prior written consent, which consent shall not be unreasonably withheld.

(b) No change or alteration shall be undertaken until Mortgagor shall have procured and paid for, so far as the same may be required from time to time, all permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction.

(c) Any change or alteration involving an estimated cost of more than \$5,000 shall be conducted under the supervision of any architect selected by Mortgagor and approved in writing by Mortgagee, and no such change or alteration shall be made except in accordance with detailed plans and specifications and cost estimates prepared and approved in writing by such architect and approved in writing by Mortgagee.

(d) Any change or alteration shall, when completed, be of such a character as not to materially reduce the economic value of the Mortgaged Property below its value immediately before such change or alteration.

(e) Any change or alteration, once commenced, shall be made promptly (unavoidable delays excepted) and in a good and workman-like manner and in compliance with all applicable permits and authorizations and building and zoning laws and with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers, any national or local Board of Fire Underwriters, or any other body hereafter exercising functions similar to those of any of the foregoing.

(f) Mortgagor shall pay to Mortgagee all reasonable fees and expenses incurred by Mortgagee in connection with such change or alteration, including but not limited to the fees and expenses of any architect selected by Mortgagee to review the plans and specifications and inspect the work on behalf of Mortgagee.

ARTICLE VII

LIENS

Section 7.01. Mortgagor will pay, or bond, or cause to be paid or bonded, from time to time when the same shall become due, all claims and demands which, if unpaid, might result in, or permit the creation of, a lien on the Mortgaged Property or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom. Mortgagor will do nor cause to be done everything necessary so that the lien and priority hereof shall be fully preserved, at the cost of Mortgagor, without expense to Mortgagee.

Section 7.02. Mortgagor agrees that should the Mortgaged Property at any time be or become subject to the lien of any mortgage or deed of trust in connection with which payments on account of the indebtedness secured hereby are to be made directly or indirectly by or through the mortgagee or beneficiary thereunder, regardless of such mortgagee or beneficiary, the whole of the principal and interest and other sums hereby secured at the option of Mortgagee shall immediately become due and payable.

Section 7.03. Except as otherwise permitted in Section 1.02 hereof, Mortgagor will not, without the written consent of Mortgagee, create or suffer to be created any security interest under the Illinois Uniform Commercial Code (the "Code"), together with any amendments or supplements thereto, or other encumbrance in favor of any party other than Mortgagee, or create or suffer any reservation of title by any such other party, with respect to any Fixtures, nor shall any such Fixtures or property be the subject matter of any lease or other transaction whereby the ownership or any beneficial interest in any of such property is held by any person or entity other than Mortgagor (or Mortgagee as provided herein). All such property shall be purchased for cash or in such manner that no lien shall be created thereon except the lien of this Mortgage, unless Mortgagee shall agree in writing to the contrary before a contract to purchase any such property is executed.

Section 7.04. Mortgagor will not create or permit to accrue upon all or any part of the Mortgaged Property any debt, lien or charge, and shall promptly cause to be paid and discharged, any lien or charge whatsoever which by any present or future law may be or become superior to, or on a parity with or inferior to this Mortgage, either in lien or in distribution out of the proceeds

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of any judicial sale of the Mortgaged Property, or any part thereof, and any lien or charge not permitted by this Article VII, except (a) the lien of this Mortgage, and (b) matters to which Mortgagee shall agree in writing, or which Mortgagee shall permit Mortgagor to contest, pursuant to Section 5.02 hereof.

ARTICLE VIII

USE OF PROPERTY

Section 8.01. Mortgagor will use, or caused to be used, the Mortgaged Property principally and continuously as a retail men's clothing store. Mortgagor shall not use, or permit the use of the Mortgaged Property for any other principal use without the prior written consent of the Mortgagee. Mortgagor shall not use or permit the use of the Mortgaged Property or any part thereof for any other purpose which in the reasonable opinion of Mortgagee would adversely affect the then value or character of the Mortgaged Property or any part thereof.

ARTICLE IX

LEASES, MONTHLY AND ANNUAL STATEMENTS

Section 9.01. Any and all subleases, licenses and concession agreements (collectively referred to herein as "leases") covering all or any part of the Mortgaged Property shall be subject in all respects (including without limitation tenant, term and rental) to the prior written approval of Mortgagee.

Section 9.02. Mortgagor shall deliver to Mortgagee, within ninety (90) days after the end of each fiscal year of Mortgagor, financial statements of Mortgagor certified by the chief financial officer of Mortgagor, satisfactory in all respects to Mortgagee.

Section 9.03. Mortgagor will with reasonable promptness furnish to Mortgagee such additional financial and other information respecting the financial condition, business or operations of Mortgagor or Mortgagee shall from time to time reasonably request.

ARTICLE X

DAMAGE OR DESTRUCTION

Section 10.01. In case of casualty to the Mortgaged Property resulting in damage or destruction, Mortgagor shall promptly

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give written notice thereof to Mortgagee.

Section 10.02. Unless Mortgagee elects to apply insurance proceeds to reduce the indebtedness secured hereby, then, regardless of the amount of any such damage or destruction, Mortgagor shall at its sole cost and expense, and whether or not the insurance proceeds, if any, shall be sufficient for the purpose, restore, repair, replace, rebuild or alter the same as nearly as possible to its value, condition and character immediately prior to such damage or destruction or with such changes or alterations as may be made at Mortgagor's election in conformity with and subject to the conditions of Article 6 hereof. Such restoration, repairs, replacements, rebuilding or alteration shall be commenced promptly and prosecuted with reasonable diligence. If (i) estimates received, and/or made, by Mortgagee disclose that the cost of restoration would be in excess of the amount of the insurance proceeds available therefor, or (ii) during the period of restoration by Mortgagor the amount of the insurance proceeds shall not be sufficient to complete such restoration, then in either of such events, Mortgagor shall deposit with Mortgagee the amount required to complete such restoration or such other security as shall be satisfactory to Mortgagee.

Section 10.03. All proceeds of and payments under insurance policies with respect to any casualty event shall be paid to Mortgagee and applied by Mortgagee first to payment of the actual costs, fees and expenses, if any, incurred by Mortgagee in connection with adjustment of the loss and settlement with the insurance company. The remainder of such insurance proceeds shall be applied by Mortgagee, at the sole discretion of Mortgagee, either (i) in reduction of the outstanding indebtedness secured by this Mortgage, principal and interest, as Mortgagee may elect, or (ii) to the payment of the cost of the aforesaid restoration, repairs, replacement, rebuilding or alterations, including the cost of temporary repairs and the cost of protection of property pending the completion of permanent restoration, repairs, replacement, rebuilding or alterations (all of which temporary and permanent repairs, restoration, replacement, rebuilding, alterations and protection of property are hereinafter collectively referred to as the "restoration"). No interest shall be allowed to Mortgagor on account of any proceeds held by Mortgagee.

Section 10.04. If under the provisions of this Article X insurance proceeds are to be applied to the cost of restoration, Mortgagee shall hold such insurance proceeds, together with any amounts deposited with Mortgagee pursuant to Section 10.02 hereof, and advance the same for application to the cost of the restoration from time to time as the restoration progresses. Such funds will be advanced upon the written request of Mortgagor and upon Mortgagor's compliance with such reasonable requirements therefor as Mortgagee shall impose. Upon completion of all of the restoration in a good and workmanlike manner and substantially in accordance with any plans and specifications

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therefor which Mortgagee may have required, and upon receipt by Mortgagee of evidence satisfactory to Mortgagee that the restoration has been completed and paid for in full, any balance of the insurance proceeds or sums deposited with Mortgagee pursuant to Section 10.02 hereof and not applied to the cost of restoration or applied to reduce the indebtedness secured by this Mortgage, if any, shall be paid over to Mortgagor.

Section 10.05. Notwithstanding any provision of this Article X to the contrary, if at any time during any restoration of the Mortgaged Property Mortgagor shall be in default under any provision of this Mortgage or the other Loan Documents, Mortgagee shall have no obligation to continue to apply insurance money to restoration and may apply such insurance money in any such manner as Mortgagee in its sole discretion may determine, including without limitation application to reduction of the indebtedness secured hereby.

Section 10.06. In no event shall the application to the obligation of Mortgagor, whether or not then due or payable, of any insurance proceeds postpone, abate or reduce any of the periodic installments of principal or interest thereafter to become due under the Note until the Note is paid in full. If Mortgagee shall acquire title to the Mortgaged Property either by virtue of a deed in lieu of foreclosure or a judicial sale thereof pursuant to proceedings under the Note or this Mortgage, then all of Mortgagor's estate, right, title and interest in and to all such policies, including unearned premiums thereon and the proceeds thereof, shall vest in Mortgagee.

ARTICLE XI

CONDEMNATION

Section 11.01. Mortgagor shall give Mortgagee immediate notice of any actual or threatened commencement of condemnation proceedings or the exercise of the right to eminent domain. In the event that the Mortgaged Property, or any part thereof, shall be taken in condemnation proceedings or by exercise of any right of eminent domain (hereinafter called collectively, "condemnation proceedings"), Mortgagee may on behalf of Mortgagor participate in any such condemnation proceedings and may on behalf of Mortgagor adjust, contest, accept, reject or compromise any proposed award and collect and receive the proceeds thereof and endorse drafts, and Mortgagee is hereby irrevocably appointed attorney-in-fact of Mortgagor, coupled with an interest, for such purposes. The decision of Mortgagee with regard to the adjustment, contest, acceptance, rejection or compromise of any proposed award issued in connection with any condemnation proceedings shall be binding upon Mortgagor. The award that may be made in any such proceeding or the proceeds thereof shall be deposited with Mortgagee and distributed in the manner set forth in this Article XI. The parties agree to execute any and all further

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documents that may be required in order to facilitate collection of any award or awards and the making of any such deposit with Mortgagee.

Section 11.02. If at any time during the term of this Mortgage title to the whole or materially all of the Mortgaged Property shall be taken in condemnation proceedings or by agreement between Mortgagor and Mortgagee and those authorized to exercise such right, Mortgagee shall apply such award or proceeds which it receives pursuant to Section 11.01 hereof to payment of the indebtedness secured by this Mortgage and any balance then remaining shall be paid to Mortgagor. In the event that the amount of the award or proceeds received by Mortgagee shall not be sufficient to pay the then unpaid principal balance of the said indebtedness, with the accrued interest thereon, and any other sums secured by this Mortgage, Mortgagor shall, within ten (10) days after the application of the award or proceeds as aforesaid pay such deficiency to Mortgagee. For the purposes of this Section 11.02 "materially all of the Mortgaged Property" shall be deemed to have been taken if the portion of the Mortgaged Property taken shall preclude, in Mortgagee's sole reasonable judgment, the effective use of the Mortgaged Property for the purposes permitted by Article XIII hereof.

Section 11.03. If at any time during the term of this Mortgage title to less than the whole or materially all of the Mortgaged Property shall be taken as aforesaid, all of the award or proceeds collected by Mortgagee pursuant to Section 11.01 hereof, shall, at the option of the Mortgagee, (i) be applied to reduce the indebtedness secured by this Mortgage or (ii) be held by Mortgagee and applied and paid over toward the cost of repair and restoration, substantially in the same manner and subject to the same conditions as those provided in Article X hereof with respect to insurance and other monies. Any balance remaining in the hands of Mortgagee after payment of such costs of, repair and restoration shall be retained by Mortgagee and applied in reduction of the indebtedness secured by the Mortgage. In the event that the costs of such repairs and restoration shall exceed the net amount collected by Mortgagee, Mortgagor shall pay the deficiency. No interest shall be allowed to Mortgagor on account of any award held by Mortgagee.

Section 11.04. If at any time during the term of this Mortgage the temporary use of the whole or any part of the Mortgaged Property shall be taken in condemnation proceedings, all of the award or proceeds collected by Mortgagee pursuant to Section 11.01 hereof shall be held by Mortgagee and applied by Mortgagee toward the payment of the periodic interest payment or of the periodic payments of principal and interest due on the indebtedness secured by this Mortgage and such other sums as are due to Mortgagee under the Note and this Mortgage until such time as the indebtedness secured by this Mortgage and such other sums as are due to Mortgagee under the Note and this Mortgage are completely satisfied and paid, except that, if such taking by

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condemnation proceedings results in changes and alterations to the Mortgaged Property or any part thereof which would necessitate an expenditure to restore the Mortgaged Property or any part thereof to its former condition, then such portion of the award or proceeds as in Mortgagee's reasonable estimation shall be necessary to cover the cost of restoration shall at the option of Mortgagee be retained by Mortgagee, without application as aforesaid, and be applied and paid over toward the restoration of the Mortgaged Property, or any part thereof, to its former condition in substantially the same manner and subject to the same conditions as those provided in Article X hereof with respect to insurance and other monies. In the event that the costs of such restoration shall exceed the net amount collected by Mortgagee, Mortgagor shall pay the deficiency.

Section 11.05. In the case of any taking covered by the provisions of this Article XI, Mortgagor and Mortgagee shall first be entitled to be reimbursed, out of any award or awards for all reasonable costs, fees, reimbursements to Mortgagee and expenses incurred in the determination and collection of any such awards.

Section 11.06. Notwithstanding any taking by condemnation proceeding, Mortgagor shall continue to pay interest on the entire principal sum secured by this Mortgage at the rate provided in the Note until any such award or payment shall have been actually received by Mortgagee and applied to the principal sum as provided in this Article XI, if it is to be applied under this Article XI. Any reduction in the principal sum resulting from Mortgagee's application of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such application. If prior to Mortgagee's receipt of such award or payment the Mortgaged Property shall have been sold to Mortgagee or its nominee on foreclosure of this Mortgage, Mortgagee or such nominee shall have the right to receive and retain the entire award or payment.

Section 11.07. In no event shall the application to the obligation secured hereby of any payment to Mortgagee pursuant to this Article XI postpone, abate or reduce any of the periodic installments of interest or principal thereafter to become due under the Note until the Note is paid in full.

ARTICLE XII

NOTICES

Section 12.01. All notices, demands, requests and consents required under this Mortgage shall be in writing. All such notices, demands, requests and consents shall be deemed to have been properly given if sent by United States certified or registered mail with return receipt requested and postage prepaid, addressed to Mortgagor at 39 South LaSalle Street,

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Chicago, Illinois 60603, attention: _____,
with a copy to and addressed to Mortgagee at _____
_____ or at such
other address or addresses as any party may hereafter designate
in writing to the other parties hereto.

Section 12.02. Notices, demands and requests which shall be served personally by certified or registered mail upon Mortgagor or Mortgagee, in the manner aforesaid, shall be deemed sufficiently served or given for all purposes hereunder when delivered, or, if mailed, three days after such notice, demand or request shall be mailed by United States registered or certified mail with return receipt requested as aforesaid in any Post Office or Branch Post Office regularly maintained by the United States Postal Service.

ARTICLE XIII

COVENANTS AS TO THE LEASE

Section 13.01. Mortgagor will at all times promptly and faithfully keep and perform, or cause to be kept and performed, all the covenants and conditions contained in the Lease by the lessee therein to be kept and performed and in all respects conform to and comply with the terms and conditions of the Lease, and will not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which will impair or tend to impair the security of this Mortgage or the rights of Mortgagee under any of the Loan Documents.

Section 13.02. Mortgagor covenants and agrees that it will not surrender its leasehold estate and interest under the Lease, or terminate or cancel the Lease, and that it will not without the express written consent of Mortgagee modify, change, supplement, alter or amend the Lease either orally or in writing, and as further security for the repayment of the indebtedness secured hereby and for the performance of the covenants herein and in the Lease or the Loan Documents contained, Mortgagor hereby assigns to Mortgagee all of its rights, privileges and prerogatives as lessee under the Lease to terminate, cancel, modify, change, supplement, alter or amend the Lease, and any such termination, cancellation, modification, change, supplement, alteration or amendment of the Lease without the prior written consent thereto by Mortgagee shall be void and of no force and effect; provided, however, that so long as there is no breach of or default under any of the covenants or agreements herein contained to be performed by Mortgagor, or in the performance by Mortgagor of any of the terms, covenants and conditions contained in the Lease or the Note or any other Loan Document, Mortgagee shall have no right to terminate, cancel, modify, change, supplement, alter or amend the Lease.

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Section 13.03. No release or forbearance of any of Mortgagor's obligations, pursuant to the Lease or otherwise, shall release Mortgagor from any of its obligations under this Mortgage, including its obligations with respect to the payment of rent as provided for in the Lease and the performance of all of the terms, provisions, covenants, conditions and agreements contained in the Lease to be kept, performed and complied with by the lessee therein.

Section 13.04. So long as this Mortgage is in effect, there shall be no merger of the Lease or any interest therein or of the leasehold estate created thereby with the fee estate in the Land or any portion thereof by reason of the fact that the Land or such interest therein or such leasehold estate may be held directly or indirectly by or for the account of any person who shall hold the fee estate in the Land or any portion thereof or any interest of the lessor under the Lease. In case the Mortgagor acquires the Land, this Mortgage shall attach to and cover and be a lien upon the fee title or such other estate so acquired, and such fee title or other estate shall, without further assignment, mortgage or conveyance, become and be subject to the lien of and covered by this Mortgage. The Mortgagor shall notify the Mortgagee of any such acquisition and, on written request by the Mortgagee, shall cause to be executed and recorded all such other and further assurances or other instruments in writing as may in the opinion of the Mortgagee be necessary or appropriate to effect the intent and meaning hereof.

Section 13.05. So long as the Lease is in full force and effect and the Mortgagor is not in default under any provision of said Lease, and no event has occurred which has continued to exist for a period of time (after notice, if any, required by said Lease) as would entitle the Lessor to terminate the Lease or would cause without further action by the Mortgagor, the termination of the Lease or would entitle Lessor to disposes the Mortgagor thereunder:

(a) The right of possession of the Mortgagor to the Mortgaged Property will not be terminated or disturbed by any steps or proceedings taken by the Mortgagee in the exercise of any of its rights under this Mortgage or any other Loan Document; and

(b) The Lease shall not be terminated or affected by said exercise of any remedy provided for in this Mortgage, and the Mortgagee hereby covenants that any sale by it of the Mortgaged Property pursuant to the exercise of any rights and remedies under this Mortgage or otherwise shall be made subject to the Lease and the rights of Mortgagor thereunder.

Section 13.06. In the event of the termination of the Lease by the Lessor thereunder as provided in Paragraph 21 of the Lease, any termination fee or other payment payable to Mortgagor in connection with such termination shall be paid to Mortgagee

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and applied by Mortgagee first to payment of the actual costs, fees and expenses, if any, incurred by Mortgagee in connection with such termination. The remainder of such fee or other payment shall be applied by Mortgagee in reduction of the outstanding indebtedness secured by this Mortgage, principal and interest, as Mortgagee may elect. Mortgagor hereby appoints Mortgagee as Mortgagor's duly authorized attorney-in-fact to collect any such termination fee or other payment on behalf of Mortgagor and apply such payment as provided in this Section 13.06.

ARTICLE XIV

EVENTS OF DEFAULT AND REMEDIES

Section 14.01. If any of the following events (herein called "Events of Default") shall occur and be continuing, that is to say:

(a) if default shall be made in the payment of any installment of the principal of, or interest on, the indebtedness secured by this Mortgage or any other sum which is payable under the Note, this Mortgage or any other Loan Document and such default shall continue beyond any applicable period of grace provided in the instrument or document requiring such payment; or

(b) if default shall be made in the due observance or performance of any other covenant, condition or agreement on the part of Mortgagor contained in any Loan Document, and such default or Event of Default shall continue beyond any applicable period of grace provided in the Loan Document under which it has occurred; or

(c) if default shall be made by Mortgagor in the performance of, or compliance with, any of the other provisions, warranties, covenants, agreements, promises, terms or conditions contained in this Mortgage and such default shall continue for a period of thirty (30) days after notice thereof from Mortgagee to Mortgagor; except that, in the case of a default which cannot with due diligence be cured within such period of thirty (30) days, the time of Mortgagor within which to cure the same shall be extended for such period as may be necessary to cure the same with due diligence, provided Mortgagor commences immediately and thereafter proceeds diligently to cure the same; or

(d) failure to procure or maintain insurance on the Mortgaged Property pursuant to Section 3.01 hereof, which shall be an immediate Event of Default without notice; or

(e) the transfer, sale, conveyance or assignment, either voluntary, involuntary or by operation of law, without written consent of Mortgagee, of any of the Mortgaged Property, which shall be an immediate Event of Default without notice; or

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(f) if default shall be made by Mortgagor in the performance of or compliance with any of the terms or conditions contained in the Lease; or

(g) if the Mortgagor fails to give the Mortgagee immediate notice of any default under the Lease or of the receipt by it of any notice of default from the lessor thereunder or if the Mortgagor fails to furnish to the Mortgagee immediately any and all information which it may request concerning the performance by the Mortgagor of the covenants of the Lease; or

(h) if the Mortgagor fails to permit forthwith the Mortgagee or its representative at all reasonable times to make investigation or examination concerning the performance by the Mortgagor of the covenants of the Lease, or if the Mortgagor fails to permit forthwith the Mortgagee or its representative at all reasonable times to make investigation or examination concerning such performance,

then upon the happening of any one or more of said Events of Default, the entire unpaid balance of the principal, the accrued interest, and all other sums secured by the Note or this Mortgage shall, at the option of Mortgagee, become immediately due and payable without notice or demand, and in any such Event of Default Mortgagee may forthwith, and without further delay, undertake any one or more of the following:

(1) Foreclosure. Institute an action of mortgage foreclosure, or take such other action as the law may allow, at law or in equity, for the enforcement thereof and realization on the mortgage security or any other security which is herein or elsewhere provided for, and proceed thereon to final judgment and execution thereon for the entire unpaid balance of the principal indebtedness, with interest, at the rates and pursuant to the methods of calculation specified in the Note and this Mortgage to the date of default and thereafter at the Default Rate (as defined in the Note), together with all other sums secured by this Mortgage, all costs of suit, interest at the Default Rate on any judgment obtained by Mortgagee from and after the date of any Sheriff's Sale of the Mortgaged Property (which may be sold in one parcel or in such parcels, manner or order as Mortgagee shall elect) until actual payment is made by the Sheriff of the full amount due Mortgagee, and an attorney's reasonable commission for collection, without further stay, any law, usage or custom to the contrary notwithstanding;

(2) Entry. Mortgagee personally, or by its agents or attorneys, may enter into and upon all or any part of the Mortgaged Property, and each and every part thereof, and may exclude Mortgagor, its agents and servants wholly therefrom without liability for trespass, damages or otherwise and Mortgagor agrees to surrender possession to Mortgagee on demand after the happening of any Event of Default; and having and holding the same, may use, operate, manage and control the Mortgaged Property

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and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, Mortgagee, at the expense of the Mortgaged Property, from time to time, either by purchase, repairs or construction, may maintain and restore the Mortgaged Property, whereof it shall become possessed as aforesaid, may complete the construction of the buildings, structures and improvements and in the course of such completion may make such changes in the contemplated or completed buildings, structures and improvements as it may deem desirable and may insure the same; and likewise, from time to time, at the expense of the Mortgaged Property, Mortgagee may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as to it may seem advisable; and in every such case Mortgagee shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of Mortgagor with respect thereto either in the name of Mortgagor or otherwise as it shall deem best; and Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof, and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation for the services of Mortgagee and for all attorneys, counsel, agents, clerks, servants and other employees by it properly engaged and employed, Mortgagee shall apply the moneys arising as aforesaid, first, to the payment of the principal of the Note and the interest thereof, when and as the same shall become payable and second, to the payment of any other sums required to be paid by Mortgagor under this mortgage or under any other Loan Document. For such purposes Mortgagor hereby authorizes any attorney of any court of record to appear for Mortgagor to sign an agreement for entering an amicable action of ejectment for possession of the Mortgaged Property, and to confess judgment therein against Mortgagor in favor of Mortgagee, whereupon a writ may forthwith issue for the immediate possession of the Mortgaged Property, without any prior writ or proceeding whatsoever; and for so doing this Mortgage or a copy hereof verified by affidavit shall be a sufficient warrant.

(3) Receivership. Have a receiver appointed to enter into possession of the Mortgaged Property, collect the earnings, revenues, rents, issues, profits and income therefrom and apply the same as the court may direct. Mortgagee shall be entitled to the appointment of a receiver without the necessity of proving either the inadequacy of the security or the insolvency of Mortgagor or any other person who may be legally or equitably liable to pay moneys secured hereby and Mortgagor and each such person shall be deemed to have waived such proof and to have consented to the appointment of such receiver. Should Mortgagee or any receiver

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collect earnings, revenues, rents, issues, profits or income from the Mortgaged Property, the moneys so collected shall not be substituted for payment of the debt nor can they be used to cure the default, without the prior written consent of Mortgagee. Mortgagee shall be liable to account only for earnings, revenues, rents, issues, profits and income actually received by Mortgagee.

(4) Sale of personal property. Mortgagee shall have such rights and remedies in respect of so much of the Mortgaged Property as may, under applicable law, be personal property, or any part thereof, as are provided by the Code and such other rights and remedies in respect thereof which it may have at law or in equity or under this Mortgage and Security Agreement, including without limitation the right to take possession of the Mortgaged Property wherever located and to sell all or any portion thereof at public or private sale, without prior notice to Mortgagor, except as otherwise required by law (and if notice is required by law, after 10 days' prior written notice), at such place or places and at such time or times and in such manner and upon such terms, whether for cash or on credit, as Mortgagee in its sole discretion may determine. Mortgagee shall apply the proceeds of any such sale first to the payment of the reasonable costs and expenses incurred by Mortgagee in connection with such sale or collection, including reasonable attorney's fees and legal expenses, second to the payment of the indebtedness evidenced by the Note, whether on account of principal or interest or otherwise as Mortgagee in its sole discretion may elect, and then to pay the balance, if any, as required by law. Upon the occurrence of any Event of Default Mortgagor, upon demand by Mortgagee, shall promptly assemble any equipment and fixtures included in the Mortgaged Property and make them available to Mortgagee at a place to be designated by Mortgagee which shall be reasonably convenient to Mortgagee and Mortgagor.

(5) Sale of the Mortgaged Property. Mortgagee may sell any of the Mortgaged Property, not specifically designated as personal property and subject to subparagraph (4) above, in such a manner as it deems appropriate and in accordance with any applicable law. Mortgagee shall apply the proceeds of any such sale first to the payment of the reasonable costs and expenses incurred by Mortgagee in connection with such sale or collection, including reasonable attorney's fees and legal expenses, second to the payment of the indebtedness evidenced by the Note, whether on account of principal or interest or otherwise as Mortgagee in its sole discretion may elect, and then to pay the balance, if any, as required by law.

Section 14.02. Upon the occurrence of an Event of Default hereunder, Mortgagee in pursuance of the foregoing remedies, or in addition thereto, (i) may, in Mortgagee's sole discretion, release for such consideration, or none, as Mortgagee may require, any portion of the Mortgaged Property without, as to the remainder of the security, in anywise impairing or affecting the lien of this Mortgage, or the priority thereof, or improving the

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position of any subordinate lienholder with respect thereto, except to the extent that the indebtedness secured hereby shall have been reduced by the actual monetary consideration, if any, received by Mortgagee for such release; and/or (ii) may accept the assignment or pledge of any other property in place thereof as Mortgagee may require without being accountable for so doing to any other lienor.

Section 14.03. Mortgagor hereby waives and releases (a) all errors, defects and imperfections in any proceedings instituted by Mortgagee under this Mortgage, (b) all benefit that might accrue to Mortgagor by virtue of any present or future laws exempting the Mortgaged Property, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale under execution, or providing for any stay of execution, exemption from civil process, or extension of time for payment, (c) all benefits that might accrue to Mortgagor from requiring valuation or appraisal of any part of the Mortgaged Property levied or sold on execution of any judgment recovered for the indebtedness secured hereby, and (d) all notices not herein elsewhere specifically required, of Mortgagor's default or of Mortgagee's exercise, or election to exercise, any option under this Mortgage. Mortgagor further agrees to waive the issuance and service of process and enter its voluntary appearance in any action, suite or proceeding brought in connection with any Event of Default and if required by Mortgagee, to consent to the appointment of a receiver or receivers of the Mortgaged Property and of all the earnings, revenues, rents, issues, profits and income thereof. Mortgagor will not at any time insist upon, or plead, or in any manner whatever, claim or take any benefit or advantage of any right under any statute heretofore or hereafter enacted to redeem the property so sold, or any part thereof, and Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Mortgagor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure hereof.

Section 14.04. No failure by Mortgagee to insist upon the strict performance of any covenant, agreement, provision, term or condition of this Mortgage or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, provision, term or condition. No covenant, agreement, provision, term or condition of this Mortgage to be performed or complied with by Mortgagor, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Mortgagee. No waiver of any breach shall affect or alter this Mortgage, but each and every covenant, agreement, provision, term and condition of this Mortgage shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

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Section 14.05. In the event of any breach or threatened breach by Mortgagor of any of the covenants, agreements, terms or conditions contained in this Mortgage, Mortgagee shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though other remedies were not provided for in this Mortgage.

Section 14.06. No recovery of any judgment by Mortgagee and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of Mortgagor shall affect in any matter or to any extent, the lien of this Mortgage upon the Mortgaged Property or any part thereof, or any liens, rights, powers or remedies of Mortgagee hereunder, but such liens, rights, powers and remedies of Mortgage shall continue unimpaired as before.

ARTICLE XV

NON WAIVER, ETC.

Section 15.01 Neither Mortgagor nor any other person now or hereafter obligated for the payment of the whole or any part of the sums now or hereafter secured by this Mortgage shall be relieved of such obligation by reason of the failure of Mortgagee to comply with any request of Mortgagor or of any other person so obligated to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage or of any obligations secured by this Mortgage, or by reason of the release, regardless of consideration, of the whole or any part of the security held for the indebtedness secured by this Mortgage, or by reason of any agreement or stipulation between any subsequent owner or owners of the Mortgaged Property and Mortgagee extending the time of payment or modifying the terms of the Note or Mortgage without first having obtained the consent of Mortgagor or such other person, and in the latter event, Mortgagor and all such other persons shall continue liable to make such payments according to the terms of any such agreement of extension or modification unless expressly released and discharged in writing by Mortgagee. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien on the Mortgaged Property, Mortgagee may release the obligation of anyone at any time liable for any of the indebtedness secured by this Mortgage or any part of the security held for the indebtedness and may extend the time of payment or otherwise modify the terms of the Note or this Mortgage, or both, without, as to the security or the remainder thereof, in anywise impairing or affecting the lien of this Mortgage or the priority of such lien, as security for the payment of the indebtedness as it may be so extended or modified, over any subordinate lien. The holder of any subordinate lien shall have no right to terminate any lease affecting the Mortgaged Property whether or not

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such lease be subordinate to this Mortgage. For the payment of the indebtedness secured hereby Mortgagee may resort to any other security therefor held by Mortgagee in such order and manner as Mortgagee may elect.

Section 15.02. If any term or provision of this Mortgage or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Mortgage, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Mortgage shall be valid and be enforced to the fullest extent permitted by law; provided, however, that if any provision requiring the payment of money by Mortgagor is to any extent invalid or unenforceable Mortgagee may at its option and without notice declare the indebtedness secured hereby immediately due and payable.

Section 15.03. Any act to be performed by Mortgagor under this Mortgage or any other Loan Document shall be performed by Mortgagor at Mortgagor's sole cost and expense.

Section 15.04. If Mortgagor shall fail to pay any Impositions when and as required by Article II hereof, or fail to procure, pay for and deliver to Mortgagee any policy or policies of insurance when and as required by Article III hereof, or fail to maintain, protect, restore or repair the Mortgaged Property as required by Article IV hereof, or fail to pay and discharge any lien, encumbrance or security interest when and as required by Article VII hereof, or fail to fully and timely perform any other obligation of Mortgagor hereunder or under the Lease or any of the Loan Documents, Mortgagee shall be under no obligation to take action to correct such failures. However, at its option, Mortgagee may take such action and expend such sums as Mortgagee reasonably deems necessary to correct such failures or any consequences thereof, but such action or payment by Mortgagee shall not constitute a waiver by Mortgagee of the performance of said act, and Mortgagee may declare Mortgagor's failure to perform such act an Event of Default notwithstanding Mortgagee's having undertaken the performance of the act. Mortgagor will repay to Mortgagee promptly upon demand any amounts expended by Mortgagee to correct such failure or any consequences thereof, and all expenses of Mortgagee in taking such action, with interest at the Default Rate set forth in the Note from the incurring of such expense or the making of such payment, as the case may be. The payment of such amounts to Mortgagee shall be secured by this Mortgage.

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ARTICLE XVI

GENERAL COVENANTS

Section 16.01. Mortgagor within three days upon request in person or within ten days upon request by mail will furnish a duly acknowledged written statement in form satisfactory to Mortgagee setting forth the amount of the debt then secured by this Mortgage, and stating either that no offsets or defenses exist against the Mortgage indebtedness, or if such offsets or defenses are alleged to exist, the nature and extent thereof.

Section 16.02. In case of any sale under this Mortgage by virtue of judicial proceedings, the Mortgaged Property may be sold in one parcel and as an entirety or in such parcels, manner or order as Mortgagee in its sole discretion may elect.

Section 16.03. Mortgagor shall promptly pay upon request all expenses and costs incurred by Mortgagee, including reasonable attorney's fees, together with interest thereon at the Default Rate as provided in the Note from the date of the payment thereof by Mortgagee, in connection with any action, proceeding, litigation or claim instituted or asserted by or against Mortgagee or in which Mortgagee becomes engaged, including without limitation bankruptcy, reorganization, arrangements, receivership or similar proceedings, wherein it becomes necessary in the opinion of Mortgagee to protect Mortgagee's interest in the Mortgaged Property or the security afforded hereby, or to defend or uphold the lien of this Mortgage, or the validity or effectiveness of any assignment of any claim, award, payment, property damage insurance policy or any other right or property conveyed, encumbered or assigned by Mortgagor to Mortgagee hereunder, or the priority of any of the same, and all such expenses and costs, and said interest thereon, shall be added to and become part of the principal indebtedness of Mortgagor hereunder and be secured in all respects hereby as if part of the original indebtedness evidenced by the Note; provided, however that in any action to foreclose this Mortgage or to recover or collect the sums due hereunder the provisions of law and of this Mortgage relative to the recovery of costs, disbursements, commissions, allowances and attorney's fees, shall prevail unaffected by this Section.

Section 16.04. In the event of the passage after the date of this Mortgage of any law of the State of Illinois, deducting from the value of the Mortgaged Property for the purpose of taxation any lien thereon, or changing in any way the laws now in force for the taxation of mortgages, or debts secured thereby, for state or local purposes, or the manner of the operation of any such taxes so as to affect the interest of Mortgagee, then and in such event, Mortgagor shall bear and pay the full amount of such taxes, provided that if for any reason payment by Mortgagor of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the loan or

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indebtedness secured hereby wholly or partially usurious under any of the terms or provisions of the Note, or this Mortgage, or otherwise Mortgagee may, at Mortgagee's option, declare the whole sum secured by this Mortgage, with interest thereon, to be immediately due and payable, or Mortgagee may, at Mortgagee's option, pay that amount or portion of such taxes as renders the loan or indebtedness secured hereby unlawful or usurious, in which event Mortgagor shall concurrently therewith pay the remaining lawful and nonusurious portion or balance of said taxes.

Section 16.05. Mortgagor shall pay any tax due or to become due in respect of the issuance of the Note in the manner required by the laws of the United States of America or of any state having jurisdiction over the Mortgagor.

Section 16.06. At such time as Mortgagor is not in default under the terms of the Note, or under the terms of this Mortgage, Mortgagor shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments thereunder) in accordance with the terms and conditions set forth in the Note.

Section 16.07. The indebtedness evidenced by the Note and secured hereby is a business loan within the purview of subparagraph 1(c) of Section 4 of an "Act In Relation To The Rate Of Interest And Other Charges In Connection With Sales On Credit And The Lending Of Money", Illinois Revised Statutes, 1981, Chapter 17, Section 6404(1)(c), transacted solely for the purpose of carrying on the business of the beneficiary of Mortgagor as contemplated by said section.

Section 16.08. This Mortgage creates a security interest in the Fixtures and other personalty referred to above and, to the extent that any such Fixtures shall not be deemed to be part of the real estate, shall constitute a Security Agreement under the Code. Mortgagor agrees to pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing and refiling of any instrument or document which Mortgagee may require in order to perfect and maintain Mortgagee's security interest under the Code upon such collateral including the charges for examining title and the attorneys' fee for rendering an opinion as to the priority of this Mortgage as a valid and subsisting first lien. Such costs and expenses shall be paid with interest at the rate provided in the Note from the date of payment, and the same shall be secured by this Mortgage. Neither a request made by Mortgagee to Mortgagor to execute any instrument or document to perfect or maintain Mortgagee's security interest nor the failure of Mortgagee to make such a request shall be construed as a release of such collateral or any part thereof from the lien of and the security interest granted by this Mortgage, it being understood and agreed that this covenant and any such security delivered to Mortgagee are cumulative and given as additional security.

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Mortgagor will execute and deliver to Mortgagee on demand, and hereby irrevocably appoints Mortgagee or any officer of Mortgagee the attorney-in-fact of Mortgagor, coupled with an interest, to execute, deliver and file, such financing statements and other instruments as Mortgagee may require in order to perfect and maintain such security interest under the Code upon the aforesaid collateral.

Section 16.09. Wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word "Mortgagor" shall mean the party executing this instrument, its successors and assigns or any subsequent owner or owners of the Mortgaged Property, the word "Mortgagee" shall mean the party to whom this Mortgage is given or any subsequent holder or holders of this Mortgage, the word "Note" shall mean the Note or bond secured by this Mortgage, the word "person" shall mean an individual, corporation, general partnership, limited partnership, unincorporated association, or any other legal entity; the singular shall include the plural and the plural the singular; and the masculine or feminine or neuter gender shall each include the other genders.

Section 16.10. This Mortgage cannot be changed except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

Section 16.11. The captions of this Mortgage are for convenience and reference only and in no way define, limit or describe the scope or intent of this Mortgage nor in any way affect this Mortgage.

Section 16.12. This Mortgage shall be construed and enforced in accordance with the laws of the state of Illinois.

Section 16.13. Mortgagor shall, at its sole cost and expense, promptly upon request of Mortgagee, do all acts and things, including but not limited to the execution and delivery of any further deeds, conveyances, mortgages, assignments and further assurances, deemed necessary by Mortgagee, to establish, confirm, maintain and continue the lien created and intended to be created hereby, all assignments made or intended to be made pursuant hereto, and all other rights and benefits conferred or intended to be conferred on Mortgagee hereby, and Mortgagor shall pay all costs incurred by Mortgagee in connection therewith, including all filing and recording costs, cost of searches, and reasonable counsel fees incurred by Mortgagee.

Section 16.14. Mortgagor covenants and warrants that (i) it is a corporation duly organized, existing and in good standing under the laws of the State of Illinois, (ii) it has fully complied with all legal requirements applicable to Mortgagor, (iii) it has the power, authority and legal right to carry on the business now being conducted by it and to engage in the transactions contemplated by this Mortgage, the Lease and the Note and (iv)

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the execution and delivery of and the carrying out of the transactions contemplated by this Mortgage, the execution and delivery of the Note this Mortgage, and the performance and observance of the terms, covenants, agreements and provisions of all of the foregoing, have been duly authorized by all necessary actions of Mortgagor and will not conflict with or result in a breach of the terms or provisions of any existing law or any existing rule, regulation or order of any court or governmental body.

ARTICLE XVII

TRANSFER OF MORTGAGED PROPERTY

Section 17.01. Without the prior written approval of Mortgagee, Mortgagor shall not transfer, sell, convey or assign (by operation of law or otherwise) the Mortgaged Property or any part thereof, or permit any ownership interest in Mortgagor to be transferred or assigned, whether voluntarily or by operation of law or otherwise. Notwithstanding this Section 17.01, transfers of interests in Mortgagor may be made from one existing shareholder to any other existing shareholder, and transfers of such interests by will or intestacy upon the death of any shareholder may be made, in each case without consent of Mortgagee. Mortgagee will not unreasonably withhold its consent to a transfer of any interest in the Mortgagor from any existing shareholder to members of his immediate family or to a trust established and maintained for the benefit of the members of his immediate family. Mortgagor shall not modify or amend its Articles of Incorporation or By-Laws without the prior written consent of the Mortgagee.

IN WITNESS WHEREOF, Mortgagor, intending to be legally bound hereby, has caused this Mortgage to be duly executed, on the day and year first above written, intending the same to be a sealed instrument.

BRITTANY, LTD., an Illinois corporation

ATTEST:

Patty Weir
[Corporate Seal] *Asst. Secy.*

By M. M. D. Weir
Vice President

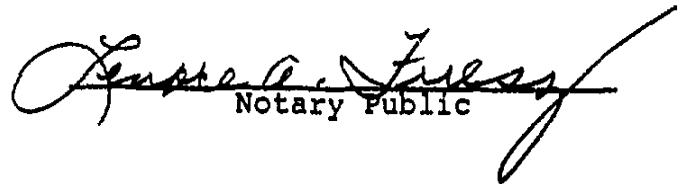
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STATE OF ILLINOIS)
) ss
COUNTY OF C O O K)

The foregoing Leasehold Mortgage and Security Agreement was acknowledged before me this 26th day of June, 1986, by Morris D. Almes and Betty Almes, the Vice President and Assistant Secretary of BRITTANY, LTD., and Illinois corporation, on behalf of this corporation.


Notary Public

[Notarial Seal]

My commission expires: January 3, 1987

THIS DOCUMENT PREPARED BY AND
AFTER RECORDING MAIL TO:

Kenneth A. Skolnick
Schwartz, Cooper, Kolb & Gaynor
33 North LaSalle Street
Chicago, Illinois 60602

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LOTS 29, 30, 31 AND 32 IN ASSESSOR'S DIVISION OF BLOCK 118 IN SCHOOL SECTION ADDITION TO CHICAGO, IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK 169 OF MAPS, PAGE 82, IN COOK COUNTY, ILLINOIS

STREET ADDRESS: 29 South LaSalle Street, Chicago, IL

PERMANENT TAX NO.: 17-16-204-005-0000 (all) JT

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DEPT-01 RECORDING \$39.60
T#3333 TRAN 0533 07/02/86 11:01:00
#0867 # 4 * 86-272653
COOK COUNTY RECORDER

EXHIBIT
A

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NEW YORK
C/O ALVIN C. KATZ
208 S. CASALE #1000
CHGO, IL 60604



Property of Cook County Clerk's Office

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