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PREPARED BY AND RETURN TO:

SUCHMAN INGLETT PROFESSIONAL CORP.

600 GRANT ST., 55TH FL.,

PITTSBURGH, PA. 15219

ATTN: TODD E. REIDBORD, ESQ.

88423835

BoY 333

MORTGAGE AND SECURITY AGREEMENT

MADE as of the 25th day of August, 1988, by RED ROOF INNS, INC., an Ohio corporation, with an address at 4355 Davidson Road, Hilliard, Ohio 43026, ("Borrower") in favor of PITTSBURGH NATIONAL BANK, a national banking association, with an address at Fifth Avenue and Wood Street, Pittsburgh, Pennsylvania 15265 ("Lender").

33.00

WITNESSETH

WHEREAS, Borrower is the owner in fee simple of a certain tract or parcel of land situate in the Village of Hoffman Estates, Cook County, Illinois as more fully described in Exhibit A attached hereto and made a part hereof, together with the improvements now or hereafter erected thereon; and

WHEREAS, Lender is making a loan to Borrower in an amount not to exceed THREE MILLION THREE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$3,325,000) (the "Loan"), the proceeds of which will be advanced to Borrower from time to time pursuant to the terms and conditions of a Construction Loan Agreement of even date (the "Loan Agreement") between Borrower and Lender for the purposes set forth in the Loan Agreement;

NOW, THEREFORE, in consideration of the Loan and for the purpose of securing the payment and performance of the following obligations (collectively called the "Secured Obligations"):

(a) a certain Mortgage Note (the "Note") given by Borrower to Lender of even date herewith in the principal amount of THREE MILLION THREE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$3,325,000), together with all of the interest thereon, issued pursuant to the Loan Agreement, and any increases, renewals, modifications and extensions thereof, the provisions of the Note being hereby incorporated herein by reference;

(b) all sums advanced or which may otherwise become due under the Loan Agreement, the provisions of the Loan Agreement being hereby incorporated herein by reference and made a part hereof;

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(c) any sums advanced by Lender or which may otherwise become due pursuant to the provisions of this Mortgage and Security Agreement (the "Mortgage");

(d) all other sums advanced by or recoverable by Lender and all other obligations of Borrower under the Note and all other instruments and documents given to evidence, secure or otherwise support the Loan (all of which instruments and documents being hereinafter sometimes collectively referred to as the "Loan Documents");

Borrower, intending to be legally bound hereby, does hereby give, grant bargain, sell, warrant, alienate, remise, release, convey, assign, transfer, mortgage, hypothecate, deposit, pledge, set over and confirm unto Lender and does agree that Lender shall have a security interest in the following described property, all accessions and additions thereto, all substitutions therefor and replacements and proceeds thereof, and all reversions and remainders of such property (collectively, the "Mortgaged Property", now owned or held or hereafter acquired, to wit:

(i) Borrower's fee simple estate in the premises described in Exhibit A, together with all of the easements, rights of way, privileges, liberties, hereditaments, gores, streets, alleys, passages, ways, waters, watercourses, rights and appurtenances thereunto belonging or appertaining and all of the estate, right, title, interest, claim and demand whatsoever of Borrower therein and in the public streets and ways adjacent thereto, either in law or in equity, in possession or expectancy (collectively, the "Realty");

(ii) the structures and buildings, and all additions and improvements thereto, now or hereafter erected upon the Realty (including all Equipment, as hereinafter defined, constituting fixtures) (collectively, the "Improvements");

(iii) all machinery, apparatus, equipment, fittings, appliances and fixtures of every kind and nature whatsoever, and regardless of whether the same may now or hereafter be attached or affixed to the Realty or Improvements, owned by Borrower, including, without limitation, all electrical, anti-pollution, heating, lighting, incinerating, power, air conditioning, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communication machinery, apparatus, equipment, fittings, appliances and fixtures, and all engines, pipes, pumps, tanks, motors, conduits, ducts, compressors, elevators and escalators (excluding televisions, telephone equipment and data processing equipment leased to the Borrower on terms satisfactory to Lender), and all articles of personal property and goods of every kind and nature whatsoever, including all shades, awnings and carpets now or

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hereafter affixed to, attached to, placed upon, or used or usable in any way in connection with the use, enjoyment, occupancy or operation of the Realty or Improvements (collectively, the "Equipment");

(iv) all leases and other agreements now or hereafter in existence relating to the use, occupancy or possession of the Realty, Improvements or Equipment, or any part thereof, and all right, title and interest of Borrower thereunder, including cash and securities deposited thereunder to secure performance by the tenants of their obligations thereunder, and including further, the right to receive and collect the rents thereunder and all guaranties thereof (collectively, the "Leases");

(v) all accounts, revenues, income, rents, issues and profits of the Realty, Improvements, Equipment and Leases (collectively, the "Rents") including all proceeds of the conversion, voluntary or involuntary, of the Realty, Improvements and Equipment, or any part thereof, into cash or liquidated claims, including proceeds of insurance and condemnation awards;

(vi) all Borrower's rights and interests in all agreements now or hereafter in existence providing for or relating to the construction, maintenance, operation or management of the Mortgaged Property or any part thereof, including the plans and specifications therefor, and all copies thereof, (together with the right to amend or terminate the same or waive the provisions of the foregoing), and any amendments, renewals and replacements thereof; to the extent permitted by the relevant authorities, all licenses, permits and approvals for the ownership, construction, maintenance, operation, use and occupancy of the Mortgaged Property, or any part thereof and any amendments, renewals and replacements thereof; all Borrower's rights and interests in all warranties and guaranties from contractors, subcontractors, suppliers and manufacturers to the maximum extent permissible relating to the Mortgaged Property or any part thereof; all insurance policies covering or affecting the Mortgaged Property or any part thereof; all contract rights and general intangibles of Borrower relating to the Mortgaged Property (collectively, the "Other Property");

TO HAVE AND TO HOLD the Mortgaged Property whether now or hereafter acquired, unto Lender, its successors and assigns, to its own use forever in accordance with the provisions hereof.

AND BORROWER hereby warrants, covenants and agrees as follows:

1. Warranty of Title. Borrower warrants that it has good and marketable title to an estate in fee simple absolute in the

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Realty and Improvements, free and clear of all liens and encumbrances except as may be set forth in an Exhibit B attached hereto, and that this Mortgage is a valid and enforceable first lien on the Mortgaged Property, and that Lender shall, subject to Borrower's right of possession prior to an Event of Default, quietly enjoy and possess the Mortgaged Property. Borrower shall preserve such title as it warrants herein and the validity and priority of the lien hereof and shall forever warrant and defend the same to Lender against the claims of all persons and parties whomsoever.

2. Payment and Performance of Secured Obligations.

Borrower shall punctually pay the principal and interest and all other sums due or to become due under the Note as provided therein and shall pay and perform all other Secured Obligations when due as provided in the Loan Documents.

3. Legal Requirements.

Borrower shall promptly comply with and conform to or cause to be complied with and conformed to all present and future laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations and requirements, even if unforeseen or extraordinary, of every duly constituted governmental authority or agency and all covenants, restrictions and conditions which may be applicable to Borrower or to any of the Mortgaged Property, or to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of any of the Mortgaged Property (collectively, the "Legal Requirements"), even if such compliance necessitates structural changes or improvements or results in interference with the use or enjoyment of any of the Mortgaged Property, provided that no structural changes shall be made without the prior written consent of Lender.

4. Impositions.

Before interest or penalties are due thereon and otherwise when due, Borrower shall pay and discharge, or cause to be paid or discharged, all taxes of every kind and nature (including real and personal property taxes on the Mortgaged Property, income, franchise, withholding, profits and gross receipts taxes imposed on Borrower, any tax imposed directly or indirectly on Lender with respect to the Mortgaged Property or this Mortgage, the value of the equity of Borrower therein, or the indebtedness evidenced by the Note), all charges for any easement or agreement maintained for the benefit of any of the Mortgaged Property, all general and special assessments, levies, permits, inspection and license fees, all mortgages and other liens which may be permitted by Lender, all water and sewer rents and charges, and all other charges and liens whether of a like or different nature, even if unforeseen or extraordinary, imposed upon or assessed against Borrower or any of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof. Borrower shall comply in all respects

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with all agreements, mortgages, covenants, and restrictions now or hereafter affecting the Realty or Improvements. The obligations referred to in this Section are hereinafter collectively referred to as the "Impositions". Upon request by Lender, within thirty (30) days after the payment of any Imposition, Borrower shall deliver to Lender evidence acceptable to Lender of such payment. Upon request by Lender, Borrower shall also deliver to Lender, within ten (10) days of receipt thereof, copies of all settlements and notices pertaining to the Impositions which may be issued by any governmental authority.

Subject to the right of Borrower to contest the payment of an Imposition as provided in Section 8 hereof, Lender may pay or perform any Imposition and add the amount so paid or the cost incurred to the Secured Obligations, and all such amounts shall on demand be due and payable, together with interest thereon from the date of such demand at the Default Rate. For purposes of this Mortgage, the Default Rate shall be four percent (4%) above the rate of interest per annum announced from time to time by Lender at its principal office in Pittsburgh, Pennsylvania, as its "prime rate", such rate to change automatically from time to time, effective as of the effective date of each change in said prime rate.

5. Insurance. Borrower shall maintain comprehensive public liability insurance, fire and builder's risk insurance with extended coverage, rent and rental value insurance, contractual liability insurance for all indemnification obligations of Borrower under all leases, and such other insurance as may be required from time to time by Lender. The amounts, coverages and other terms and conditions of the insurance policies shall at all times be satisfactory to Lender and shall satisfy any coinsurance requirements of Lender. Borrower shall pay as they become due all premiums for such insurance, shall keep each policy in full force and effect, shall deliver to Lender evidence of the payment of the full premium therefor at least twenty (20) days prior to the expiration date of each policy, and shall deliver to Lender the original policies of insurance, with noncontributory mortgagee clauses in favor of and acceptable to Lender. Borrower's liability insurance policy shall specifically name Lender as an additional insured. Each policy shall provide for written notice to Lender at least 30 days prior to any cancellation, nonrenewal or amendment of such insurance.

Borrower shall deliver to Lender, at the time of each renewal of the policy (but at least once every three (3) years), a statement reasonably satisfactory to Lender as to the then replacement and insurable values of the Improvements as determined by the underwriter of fire insurance on the Mortgaged Property or by a qualified appraiser approved by Lender.

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Borrower shall promptly comply with and conform to (a) all provisions of each such insurance policy and (b) all requirements of the insurers thereunder applicable to Borrower or any of the Mortgaged Property or to the use, manner of use, occupancy, possession, operation, maintenance, alteration or repair of any of the Mortgaged Property, even if such compliance necessitates structural changes or improvements or results in interference with the use or enjoyment of any of the Mortgaged Property, provided however that Borrower shall obtain the prior written consent of Lender prior to making any structural changes or improvements or interfering with the use or enjoyment of any of the Mortgaged Property. Borrower shall not use or permit any party to use any of the Mortgaged Property in any manner which would permit the insurer to cancel any insurance policy.

In the event of loss, Lender shall have the exclusive right to adjust, collect and compromise all insurance claims, and Borrower shall not adjust, collect or compromise any claims under said policies without the prior written consent of Lender. Each insurer is hereby authorized and directed to make payment under said policies, including return of unearned premiums, directly to Lender instead of to Borrower and Lender jointly, and Borrower appoints Lender as Borrower's attorney-in-fact to endorse any draft therefor. All insurance proceeds shall be payable to Lender and such proceeds may, at Lender's sole option, be applied to any part of the Secured Obligations and in any order (notwithstanding that such Secured Obligations may not then be due and payable) or to the repair and restoration of any of the Mortgaged Property. Lender shall not be deemed to have elected such option until such option is elected specifically in writing. Until so elected, Lender shall not in any circumstances be deemed to have waived its right to make such election. Notwithstanding anything herein to the contrary, Borrower shall have the right to repair and restore the Mortgaged Property and the insurance proceeds shall be applied to the repair and restoration of the Mortgaged Property, provided that (i) at the time of the loss, Borrower is not in default under any of the Loan Documents, (ii) construction commences prior to 180 days prior to the maturity of the Note, and (iii) all conditions of Paragraph 12 hereof are satisfied.

In the event of any casualty (whether or not insured against) resulting in damage to any of the Mortgaged Property, unless Lender shall have elected to apply the insurance proceeds to the payment of the Secured Obligations, Borrower, whether or not such insurance proceeds shall be sufficient for the purpose, shall promptly commence and diligently continue to restore the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to such casualty. In that event, Lender shall have the right to hold any insurance proceeds and disburse them to Borrower or for the account of Borrower as the restoration progresses, as provided in Section 12 hereof.

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Any separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Section shall contain a non-contributory mortgagee clause in favor of and acceptable to Lender, and a duplicate original policy shall be delivered promptly to Lender; provided however that no such concurrent or contributing insurance shall be maintained without the prior written consent of Lender.

6. Installments for Insurance, Taxes and Other Charges. Without limiting the effect of Sections 4 and 5 hereof, Borrower shall, if requested by Lender, pay to Lender monthly with the monthly installments of interest on the Notes, an amount equal to one-twelfth (1/12) of the annual premiums for the insurance policies referred to hereinabove (unless evidence of payment under a blanket policy is provided to Lender) and the annual impositions and any other item which at any time may be or become a lien upon the Mortgaged Property (the "Escrow Charges"); and on demand from time to time Borrower shall pay to Lender any additional sums necessary to pay when due the Escrow Charges, all as reasonably estimated by Lender. The amounts so paid shall be security for the Escrow Charges and shall be used in payment thereof so long as no Event of Default shall have occurred. No amount so paid to Lender shall be deemed to be trust funds but may be commingled with general funds of Lender. Upon the occurrence of an Event of Default, Lender shall have the right, at its election, to apply any amount so held against the Secured Obligations due and payable in such order as Lender may deem fit, and Borrower hereby grants to Lender a lien upon and security interest in such amounts for such purpose. At Lender's option, Lender from time to time may waive, and after any such waiver may reinstate, the provisions of this paragraph requiring the monthly payments. In the event the interest of Borrower in the Mortgaged Property is sold or otherwise transferred, voluntarily or involuntarily, then all of the interest of Borrower in and to the Escrow Charges shall vest in the successor to the interest of Borrower in the Mortgaged Property; subject, nevertheless, to the rights of Lender hereunder.

7. No Other Financing or Liens; Sale of Mortgaged Property. Without the prior written consent of Lender, Borrower shall not enter into any lease for any personal property, as lessee, which is now or hereafter intended to be a part of the Mortgaged Property or is to be used in connection with the operation of Borrower's business at the Mortgaged Property (other than televisions, telephone equipment or data processing equipment leased to Borrower on terms satisfactory to Lender), or, subject to Section 8 hereof, create or cause or permit to exist any lien on, or security interest in, any part of the Mortgaged Property, other than as created by this Mortgage.

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Borrower shall have no right to permit the holder of any subordinate mortgage or other subordinate lien, whether or not consented to by Lender, to terminate any lease of all or a portion of the Mortgaged Property whether or not such lease is subordinate (whether by law or the terms of such lease or a separate agreement) to the lien of this Mortgage without first obtaining the prior written consent of Lender. The holder of any subordinate mortgage or other subordinate lien shall have no such right, whether by foreclosure of its mortgage or lien or otherwise, to terminate any such lease, whether or not permitted to do so by Borrower or as a matter of law, and any such attempt to terminate any such lease shall be ineffective and void without first obtaining the prior written consent of Lender.

Subject to Borrower's right of contest under Section 8 hereof, no other mortgage or other lien or encumbrance of any type, whether voluntary or involuntary, shall be permitted to be filed or entered against any part of the Mortgaged Property or the interests of Borrower therein without having first obtained the prior written consent of Lender.

Borrower shall not sell, assign, give, mortgage, pledge, hypothecate, encumber or otherwise transfer the Mortgaged Property, or any part thereof or interest therein, voluntarily or involuntarily, other than Leases approved in writing by Lender.

8. Right of Contest. Borrower may in good faith contest, by proper legal proceedings, the validity of any Legal Requirement or the validity or amount of any Imposition, provided, (a) an Event of Default does not exist; (b) Borrower provides Lender with security satisfactory to Lender assuring compliance with or payment of the Legal Requirement or Imposition and any additional charge, interest, penalty, expense or other payment which may arise from or be incurred as a result of such contest; and (c) such contest operates to suspend enforcement of compliance with or collection or enforcement of the Legal Requirement or Imposition and is maintained and prosecuted with diligence.

9. Maintenance and Impairment of Security. Borrower shall keep or cause to be kept the Mortgaged Property in good condition and order and in a rentable and tenable state of repair and will make or cause to be made, as and when necessary, all repairs, renewals, and replacements, structural and nonstructural, exterior and interior, foreseen and unforeseen, ordinary and extraordinary, provided however that no structural repairs, renewals or replacements shall be made without Lender's prior written consent. Borrower shall not remove, demolish or alter the Mortgaged Property or any buildings or improvements constituting a part thereof, nor commit or suffer waste with respect thereto, nor permit the Mortgaged Property to become

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deserted or abandoned. Borrower shall permit Lender and its agents at any reasonable time, and from time to time, to enter upon and visit the Mortgaged Property for the purpose of inspecting and appraising the same. Borrower covenants and agrees not to take or permit any action with respect to the Mortgaged Property which will in any manner impair the security of this Mortgage.

10. Use of Mortgaged Property. Unless Lender otherwise gives its prior written consent, Borrower shall not use or permit others to use the Mortgaged Property for other than a Red Roof Inns motel facility and facilities related thereto.

11. Condemnation. Borrower, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation or taking by eminent domain of any of the Mortgaged Property, shall notify Lender of the pendency of such proceedings. Lender may participate in any such proceedings and Borrower shall deliver to Lender all instruments requested by it to permit such participation. Any award or compensation for property taken or for damage to property not taken, whether as a result of such proceedings or in lieu thereof, is hereby assigned to and shall be received and collected directly by Lender, and any award or compensation shall be applied, at Lender's option, to any part of the Secured Obligations and in any order (notwithstanding that any of such Secured Obligations may not then be due and payable) or to the repair and restoration of any of the Mortgaged Property. Lender shall not be deemed to have elected such option until such option is elected specifically in writing. Until so elected, Lender shall not in any circumstances be deemed to have waived its right to make such election. Unless Lender shall have elected to apply the award or compensation to the payment of the Secured Obligations, Borrower shall promptly, whether or not such award or compensation shall be sufficient for the purpose, commence and diligently continue to restore the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to such damage. In that event, Lender shall have the right to hold the award or compensation and disburse it to Borrower or for the account of Borrower as the restoration progresses, as provided in Section 12 hereof.

12. Restoration. All amounts received by Lender pursuant to Section 5 or Section 11 hereof and which Lender permits to be applied to the restoration of the Mortgaged Property may either be held in a restoration fund ("Restoration Fund") by Lender or, if it refuses to serve, a bank or trust company appointed by Lender which has a combined capital and surplus of not less than \$100,000,000, as restoration fund trustee (the "Restoration Fund Trustee"), with any additions thereto that may be required by Lender as hereinafter provided. The interest or income, if any, received on all deposits or investments of any moneys in the

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Restoration Fund shall be added to the Restoration Fund. If Lender consents to the deposit of such funds in an interest-bearing account or otherwise consents to the investment of such funds, neither Lender nor the Restoration Fund Trustee shall be liable or accountable for any loss resulting from any such deposit or investment, or for any withdrawal, redemption or sale of deposits or investments. Lender and the Restoration Fund Trustee may impose reasonable charges for services performed in managing the Restoration Fund and may deduct such charges therefrom. Restoration shall be performed only in accordance with the following conditions:

(a) prior to commencement of restoration and from time to time during restoration, Lender may require Borrower to deposit additional moneys into the Restoration Fund in amounts which in Lender's judgment are sufficient to defray all costs to be incurred to complete the restoration and all costs associated therewith, including labor, materials, architectural and design fees and expenses and contractor's fees and expenses, and Lender shall have approved a budget and cost breakdown for the restoration, together with a disbursement schedule, in detail satisfactory to Lender;

(b) prior to commencement of restoration, the form of the contracts and the plans and specifications for the restoration shall have been approved by Lender and all governmental authorities having jurisdiction, and Lender shall be provided with satisfactory title insurance;

(c) all restoration work shall be done under fixed price contracts;

(d) at the time of any disbursement, an Event of Default, or any event or condition which with the passage of time or the giving of notice, or both, would constitute an Event of Default, shall not have occurred, no mechanics' or materialmen's liens shall have been filed and remain undischarged and an endorsement satisfactory to Lender to its title insurance policy shall have been delivered to Lender;

(e) disbursements from the Restoration Fund shall be made from time to time, but not more frequently than once each calendar month, for completed work under the aforesaid contracts (subject to retainage) and for other costs associated therewith and approved by Lender, upon receipt of evidence satisfactory to Lender of the stage of completion and of performance of the work in a good and workmanlike manner in accordance with the contracts, plans and specifications as approved by Lender;

(f) Borrower will pay the cost of Lender's inspecting architect or engineer and the cost of any attorney's fees and

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disbursements incurred by Lender in connection with such restoration;

(g) Lender shall have the option to retain up to ten percent (10%) of the cost of all work until the restoration is fully completed, as determined by Lender, and all occupancy permits therefor have been issued;

(h) Lender may impose such other reasonable conditions, including a restoration schedule, as are customarily imposed by construction lenders to assure complete and lien-free restoration;

(i) Any sum remaining in the Restoration Fund upon completion of restoration shall, at Lender's option, be applied to any part of the Secured Obligations and in any order (notwithstanding that any of such Secured Obligations may not then be due and payable) or be paid to Borrower; provided, however, if Borrower is not in default at the time of completion of restoration and Borrower has paid moneys into the Restoration Fund, then Borrower shall be reimbursed up to such amount so paid prior to Lender exercising its option with respect to the balance in the Restoration Fund.

If within a reasonable period of time after the occurrence of any loss or damage to the Mortgaged Property, Borrower shall not have submitted to Lender and received Lender's approval of plans and specifications for the repair, restoration or rebuilding of such loss or damage or shall not have obtained approval of such plans and specifications from all governmental authorities whose approval is required, or if, after such plans and specifications are approved by Lender and by all such governmental authorities, Borrower shall fail to commence promptly such repair, restoration or rebuilding, or if thereafter Borrower fails to carry out diligently such repair, restoration or rebuilding or is delinquent in the payment to mechanics, materialmen or others of the costs incurred in connection with such work, or if any other condition of this Paragraph 12 is not satisfied within a reasonable period of time after the occurrence of any such loss or damage, then Lender, in addition to all other rights herein set forth, and, after giving Borrower thirty (30) days written notice of the nonfulfillment of one or more of the foregoing conditions may, failing Borrower's fulfillment of said conditions within said thirty (30) day period, at Lender's option, (A) declare that an event of default has occurred and/or apply all proceeds to the payment of any Secured Obligations, and/or (B) Lender, or any lawfully appointed receiver of the Mortgaged Property, may at their respective options, perform or cause to be performed such repair, restoration or rebuilding, and may take such other steps as they deem advisable to carry out such repair, restoration or rebuilding, and may enter upon the Mortgaged

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Property for any of the foregoing purposes, and Borrower hereby waives, for itself and all others holding under it, any claim against Lender and such receiver (other than a claim based upon the alleged gross negligence or intentional misconduct of Lender or any such receiver) arising out of anything done by them or any of them pursuant to this paragraph and Lender may in its discretion apply any insurance or condemnation proceeds held by it to reimburse itself and/or such receiver for all amounts expended or incurred by it in connection with the performance of such work, including attorney's fees, and any excess costs shall be paid by Borrower to Lender and Borrower's obligation to pay such excess costs shall be secured by the lien of this Mortgage and shall bear interest at the Default Rate, until paid.

Borrower waives any and all right to claim or recover against Lender, its officers, employees, agents and representatives, for loss of or damage to Borrower, the Mortgaged Property, Borrower's property or the property of others under Borrower's control from any cause insured against or required to be insured against by the provisions of this Mortgage.

13. Books and Records. Borrower shall maintain and Lender shall have access to complete and adequate books of account and other records relating to the financing, development, construction, leasing, management, operation and use of the Mortgaged Property as Lender may require, and Borrower will discuss the finances and business of the Mortgaged Property with Lender as Lender may request. Such books and records shall be kept in all material respects in accordance with generally accepted accounting principles consistently applied. Borrower shall permit Lender to photocopy such books and records on the Mortgaged Property, or, if photocopying facilities are not available on the Mortgaged Property, at a copying facility selected by Lender in its reasonable discretion.

14. Leases. Borrower shall not (a) execute an assignment or pledge of the Rents and/or the Leases other than in favor of Lender; or (b) accept any prepayment of an installment of any Rents before the due date of such installment.

Borrower shall not without the prior written consent of Lender (a) amend, modify, extend or consent to the surrender of any Lease, or give any consent to any tenant pursuant to any Lease; or (b) make any Lease except for Leases approved in writing by Lender, it being the express understanding of Lender and Borrower that Lender shall have the right to approve all terms and conditions of each Lease.

Borrower shall promptly (a) perform all of the provisions of the Leases on the part of the landlord thereunder to be performed; (b) appear in and defend any action or proceeding in

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any manner connected with the Leases or the obligations of Borrower thereunder; (c) within ten (10) days after a request by Lender, deliver to Lender a certificate from each tenant under the Leases identifying such Lease with particularity and stating that no default by Borrower or such tenant has occurred under the applicable Lease and no rent thereunder has been prepaid except for the current month; (d) within five (5) days after request by Lender, a written statement containing the names of all tenants, the terms of all Leases and the spaces occupied and rentals payable thereunder, and a statement of all Leases which are then in default, including the nature of the default; (e) deliver to Lender promptly copies of any notices of default which Borrower may at any time forward to or receive from a tenant of any Lease; and (f) within ten (10) days after execution, deliver to Lender a fully executed counterpart of each Lease, or a copy thereof certified by all parties thereto and guarantors thereof.

Each Lease shall require the tenant thereunder, upon request, to attorn to Lender or any other person succeeding to the interest of Borrower as a result of the enforcement of this Mortgage and shall recognize Lender or such successor in interest as landlord under the Lease without change in the provisions thereof; provided, however, that Lender or such successor in interest shall not be bound by (a) any prepayment of an installment or rent or other obligation other than rent for the current month, or (b) any amendment or modification to the Lease made without the written consent of Lender or such successor in interest or (c) any obligations under the Lease to have been performed prior to the date that lender or a purchaser in foreclosure or in lieu thereof shall have acquired title to the Mortgaged Property. Each tenant, upon request by Lender or such successor in interest, shall execute and deliver an instrument or instruments confirming such attornment.

15. Further Assurances. Borrower, within ten (10) days after request by Lender, shall deliver a duly executed and acknowledged certificate, in form satisfactory to Lender, setting forth the unpaid Secured Obligations and any offsets, claims, counterclaims or defenses of Borrower which may exist against the Secured Obligations. Borrower agrees to execute such further assurances as may be desirable by Lender for the purposes of further evidencing, carrying out and/or confirming this Mortgage and for all other purposes intended by this Mortgage.

16. Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) a failure to make any payment of principal, interest or other sum under the Note when due or within the grace period, if any, set forth therein;

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(b) a failure to pay any other Secured Obligations, and such failure shall continue for a period of ten (10) days after demand by Lender;

(c) Borrower shall fail to perform or observe any of the obligations in Sections 7 or 21 of this Mortgage;

(d) Borrower shall fail, at any time, to maintain insurance coverage in the types and in the amounts set forth in Paragraph 5 hereof;

(e) a failure by Borrower to duly perform and observe any other provision in this Mortgage, and such failure shall continue for a period of thirty (30) days after notice from Lender;

(f) a failure by Borrower to duly perform and observe any other provision in the Note, the Loan Agreement or any of the other Loan Documents, and such failure continues beyond the grace period, if any, set forth therein;

(g) any representation or warranty made by Borrower herein or in any of the Loan Documents or in any other instrument or document which pertains to the Loan proves to be incorrect, now or hereafter, in any material respect;

(h) Borrower shall become insolvent or unable to pay its debts as the same mature, or a petition shall be filed by or against Borrower in bankruptcy or seeking the appointment of a receiver, trustee or conservator for Borrower or for any portion of Borrower's property, or for reorganization or to effect a plan or other arrangement with or for the benefit of Borrower's creditors or Borrower shall consent to the appointment of a receiver, trustee a conservator for Borrower or for any portion of Borrower's property;

(i) Borrower shall sell, assign, give, mortgage, pledge, hypothecate, encumber or otherwise transfer the Mortgaged Property, or any part thereof or interest therein, voluntarily or involuntarily, other than Leases approved in writing by Lender; or

(j) the Improvements are substantially damaged or destroyed by an uninsured or inadequately insured casualty.

17. Remedies. In the event of an Event of Default, Lender may, at its option and notwithstanding any contrary provisions in the Note or any of the other Loan Documents, without demand, notice or delay, do one or more of the following:

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(a) Lender may declare the entire unpaid principal balance of the Note together with all interest thereon, to be due and payable immediately.

(b) Lender may (i) institute and maintain an action of mortgage foreclosure against the Mortgaged Property and the interests of Borrower therein, (ii) institute and maintain an action on the Note, and (iii) take such other action at law or in equity for the enforcement of any of the Loan Documents as the law may allow, and in each such action Lender shall be entitled to all costs of suit and reasonable attorneys' fees.

(c) Lender may, without releasing Borrower from any obligation under any of the Loan Documents and without waiving any Event of Default: (i) collect any or all of the Rents, including any Rents past due and unpaid, (ii) perform any obligation of, exercise any right or remedy of Borrower under any Lease, or (iii) enforce any obligation of any tenant of any of the Mortgaged Property. Lender shall not be obligated to do any of the foregoing, even if Lender may have theretofore performed obligations or exercised remedies of Borrower or enforced obligations of tenants. Lender may exercise any right under this subsection (c) whether or not Lender shall have entered into possession of any of the Mortgaged Property, and nothing herein contained shall be construed as constituting Lender a "mortgagee in possession", unless Lender shall have entered into and shall continue to be in actual possession of the Mortgaged Property. Borrower hereby authorizes and directs each and every present and future tenant of any of the Mortgaged Property to pay all Rents directly to Lender and to perform all other obligations of that tenant for the direct benefit of Lender, as if Lender were the landlord under the Lease with that tenant immediately upon receipt of a demand by Lender to make such payment or perform such obligations. No tenant shall have any responsibility to ascertain whether such demand is permitted hereunder or whether an Event of Default shall have occurred; Borrower hereby waives any right, claim or demand it may now or hereafter have against any such tenant by reason of such payment of Rents or performance of obligations to Lender; and any such payment or performance to Lender shall discharge the obligations of the tenant to make such payment or performance to Borrower. Borrower shall indemnify Lender and hold Lender harmless from and against any and all claims, liability, damage, cost and expense (including attorney's fees) which may be asserted against or incurred by Lender by reason of any alleged obligations to perform any provision of any Lease. After deduction of all costs and expenses incurred in the operation and management of the Mortgaged Property and in the collection of the Rents (including attorneys' fees, administration expenses, management fees and brokers' commissions), Lender may apply the Rents received by Lender to the payment of any or all of the following, in such order and

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amounts as Lender, in its sole discretion, may elect, whether or not the same be then due: liens on any of the Mortgaged Property, impositions, claims, insurance premiums, other carrying charges, invoices of persons who have supplied goods or services to or for the benefit of any of the Mortgaged Property, costs and expenses of maintenance, repair, restoration, alteration or improvement of any of the Mortgaged Property, or the Secured Obligations. Lender may, in its sole discretion, determine the method by which, and extent to which, the Rents will be collected and obligations of tenants enforced; and Lender may waive or fail to perform or enforce any provision of any Lease. Lender shall not be accountable for any Rents or other sums it does not actually receive. Borrower hereby appoints Lender as its attorney-in-fact effective upon an Event of Default to perform all acts which Borrower is required or permitted to perform under any and all Leases.

(d) Lender may, without releasing Borrower from any obligation under any of the Loan Documents and without waiving any Event of Default, enter upon and take possession of the Mortgaged Property or any portion thereof, with or without legal action and by force if necessary, or have a receiver appointed without proof of depreciation or inadequacy of the value of the Mortgaged Property or other security or proof of the insolvency of Borrower. Lender or said receiver may manage and operate the Mortgaged Property; make, cancel, enforce or modify the Leases or any of them; obtain and evict tenants; establish or change the amount of any Rents; and perform any acts and advance any sums which Lender deems proper to protect the security of this Mortgage, all such sums to be payable on demand, together with interest thereon at the Default Rate, from the date of such demand, and such sums and interest to be secured by this Mortgage.

(e) Lender may take possession of the Equipment and Other Property, or any portion thereof, and may use and deal with the same to the same extent as Borrower is entitled to do so and may sell the same pursuant to law and exercise such other rights and remedies with respect to the same as may be provided by law, and file such continuation statements which it deems desirable.

(f) Lender shall have all rights and remedies of a secured party under the Uniform Commercial Code.

(g) Lender shall have, in addition to the foregoing, all rights and remedies given by law and equity, including the right to have a receiver appointed for the Mortgaged Property.

All remedies contained in this Mortgage are cumulative and Lender also has all other remedies provided by law or in equity or in any of the other Loan Documents. No delay or failure by

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Lender to exercise any right or remedy under this Mortgage will be construed to be a waiver of that right or remedy or a waiver of any Event of Default. Lender may exercise any one or more of its rights and remedies without regard to the adequacy of its security.

18. Lender's Right to Protect Security. Lender is hereby authorized to do any one or more of the following irrespective of whether an Event of Default has occurred: (a) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Lender hereunder; (b) take such action as Lender may determine to pay, perform or comply with any impositions or Legal Requirements, to cure any Events of Default and to protect its security in the Mortgaged Property, advance sums on behalf of Borrower to pay, perform or comply with any imposition, legal requirement, prohibited lien, claims, costs and expenses in connection with the Mortgaged Property, including payment for utilities, fuel or any other necessary maintenance expenses, fees, insurance and repairs; and for the purpose of exercising any such powers Lender is hereby appointed attorney-in-fact for Borrower and is authorized to pay or advance sums to meet necessary expenses and costs of repair, employ counsel and pay reasonable attorneys' fees. All sums paid by or otherwise owing to Lender under this Mortgage shall be paid by Borrower to Lender on demand, and until paid such sums shall be added to the principal secured hereby, shall be and included as part of the Secured Obligations and shall bear interest at the Default Rate from the date of demand.

19. Lender's Costs and Expenses. In the event of an Event of Default or the exercise by Lender of any of its rights hereunder, or if Lender shall become a party, either as plaintiff or defendant or otherwise, to any suit or legal proceeding affecting any of the Mortgaged Property or the Secured Obligations, or if Lender's review and approval of any document, including a Lease, is requested by Borrower or required by Lender, Borrower shall pay to Lender on demand its costs, expenses and reasonable attorneys' fees incurred in connection therewith. If such amounts are not paid, they shall be added to the principal secured hereby, shall be included as part of the Secured Obligations and shall bear interest at the Default Rate from the date of their demand.

20. Security Agreement Under Uniform Commercial Code. This Mortgage is a Security Agreement as defined in the Uniform Commercial Code. Notwithstanding the filing of a financing statement covering any of the Mortgaged Property in the records normally pertaining to personal property, at Lender's option all of the Mortgaged Property, for all purposes and in all proceedings, legal or equitable, shall be regarded (to the extent permitted by law), as part of the Realty, whether or not any such

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item is physically attached to the Realty or Improvements. The mention in any such financing statement of any of the Mortgaged Property shall not be construed as in any way altering any of the rights of Lender or adversely affecting the priority of the lien granted hereby or by any other Loan Document, but such mention in the financing statement is hereby declared to be for the protection of Lender in the event any court shall at any time hold that notice of Lender's priority of interest, to be effective against any third party, must be filed in the Uniform Commercial Code records. THIS IS A CONSTRUCTION MORTGAGE.

21. Borrower's Existence. Borrower and any subsequent owner of the interest of Borrower in the Mortgaged Property (other than an individual) shall do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges under the laws of the state of its formation and its right to own property and transact business in the jurisdiction or jurisdictions where the Mortgaged Property is located.

22. Representations and Warranties. Borrower represents and warrants that: (a) Borrower is duly organized and validly existing under the laws of the jurisdiction of its formation, as hereinabove stated; (b) Borrower has the requisite power to execute and perform the Loan Documents and the Secured Obligations; (c) the transactions contemplated in the Loan Documents are and will be in all respects legal and not in violation of any of the Legal Requirements; (d) all information, reports, papers and data given to Lender with respect to any of the Mortgaged Property or Borrower are accurate in all material respects and complete insofar as completeness may be necessary to give Lender accurate knowledge of the subject matter, and there has been no material adverse change in any condition or fact stated therein; (e) Borrower is not a party to or obligated under any instrument, and there is no litigation pending (or, to Borrower's knowledge, threatened), which does or might materially and adversely affect Borrower or any of the Mortgaged Property; (f) none of the Mortgaged Property has been damaged by fire or other casualty which is not now fully restored; (g) no notice of taking by eminent domain or condemnation of any of the Mortgaged Property has been received, and Borrower has no knowledge that any of such is contemplated.

23. Waivers by Borrower. Borrower, to the extent permitted by law, hereby waives all errors and imperfections in any proceedings instituted by Lender under any of the Loan Documents and all benefit of any present or future statute of limitations or moratorium law or any other present or future law, regulation or judicial decision which (a) exempts any of the Mortgaged Property or any other property, real or personal, or any part of the proceeds arising from any sale thereof from attachment, levy or sale under execution, (b) provides for any stay of execution

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marshalling of assets, exemption from civil process, redemption, extension of time for payment or valuation or appraisal of any of the Mortgaged Property, or (c) conflicts with any provision of any of the Loan Documents.

24. Notices. Except as otherwise provided in this Mortgage, all notices hereunder shall be in writing and shall be deemed to have been duly given for all purposes when delivered in person or when deposited in the United States mail, in the case of a notice by Borrower or Lender, by registered or certified mail, return receipt requested, and also in the case of a notice by Lender, by first class mail, postage prepaid, directed to the party to receive the same at the following addresses or at such other address as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice.

Borrower: Red Roof Inns, Inc.
4355 Davidson Road
Milliard, Ohio 43026
Attention: Vice President, Finance
Department

Lender: Pittsburgh National Bank
Fifth Avenue and Wood Street
Pittsburgh, PA 15265
Attention: Vice President - Commercial
Real Estate Department

with a copy to: Buchanan Ingersoll Professional
Corporation
600 Grant Street, 57th Floor
Pittsburgh, PA 15219
Attention: Joseph J. Barnes, Esq.

25. Status of Parties. It is understood and agreed that the relationship of the parties is that of Borrower and Lender and that nothing herein or in any of the other Loan Documents shall be construed to constitute a partnership, joint venture or co-tenancy between Borrower and Lender.

26. Miscellaneous. (a) The section headings in this Mortgage are used only for convenience in finding the subject matters and are not part of this Mortgage or to be used in determining the intent of the parties or otherwise interpreting this Mortgage; (b) as used in this Mortgage, the singular shall include the plural as the context requires and the following

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words and phrases shall have the following meanings: (i) "including" shall mean "including but not limited to", (ii) "provisions" shall mean "provisions, terms, covenants and/or conditions", (iii) "lien" shall mean "lien, charge, encumbrance, security interest, mortgage and/or deed of trust", (iv) "obligation" shall mean "obligation, duty, covenant and/or condition", (v) "any of the Mortgaged Property" shall mean "the Mortgaged Property or any part thereof or interest therein", and (vi) "tenant" shall mean "tenant and/or subtenant and/or occupant and/or user of any of the Mortgaged Property"; (c) any act which Lender is permitted to perform under the Loan Documents may be performed at any time and from time to time by Lender or any person or entity designated by Lender; (d) each appointment of Lender as attorney-in-fact for Borrower, under the Loan Documents is irrevocable and coupled with an interest; (e) Except as otherwise specified herein, Lender has the right to refuse to grant its consent whenever such consent is required under the Loan Documents; (f) this Mortgage may be modified, amended, discharged or waived only by an agreement in writing signed by all of the parties hereto; (g) the covenants of this Mortgage shall run with the land and bind Borrower, and the respective successors and assigns of Borrower, and all present and subsequent encumbrances, tenants and subtenants of any of the Mortgaged Property, and shall inure to the benefit of Lender, its successors and assigns; (h) in the event any one or more of the provisions contained in the Loan Documents shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of the Loan Documents, but the Loan Documents shall be construed as if such invalid, illegal or unenforceable provision had never been contained therein; (i) any defined term used in this Mortgage which is not defined herein shall have the meaning ascribed to it in the Loan Documents.

27. Defeasance. If Borrower pays to Lender in full the Secured Obligations in accordance with the provisions of the Loan Documents, then this Mortgage shall become void.

IN WITNESS WHEREOF, Borrower, has caused this Mortgage to be duly executed the day and year first above written.

ATTEST:

RED ROOF INNS, INC.

Title: Secretary

By: [Signature]

Title: President

[SEAL]

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STATE OF OHIO)
)
COUNTY OF FRANKLIN)

On this, the 7th ^{September} day of August, 1988, before me, a Notary Public, personally appeared William J. Denk, who acknowledged himself to be the President of Red Roof Inns, Inc., an Ohio corporation, and the person whose name is subscribed to the foregoing, and that he as such President, being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein contained as his free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and affixed my official seal at my office in Hilliard, Ohio, the day and year first written above.

Deborah K. Finch

DEBORAH K. FINCH
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES DECEMBER 17, 1992

Notary Public within and for
Franklin County, Ohio
(The Notary Public must type,
print or stamp the Notary's name
immediately below the Notary's
signature.)

My Commission Expires: _____

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ROBERT W. HARRISON
CLERK OF COOK COUNTY
100 NORTH DEARBORN STREET
CHICAGO, ILLINOIS 60602

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EXHIBIT A

Lot 19 in Barrington Square Industrial Center Unit No. 2, being a subdivision of part of Fractional Section 6, Township 41 North, Range 10 East of this Third Principal Meridian, in Cook County, Illinois, a plat of which subdivision was recorded August 17, 1971 as Document No. 21588415 in Cook County, Illinois.

07-06-102-012

HAFFEL ROAD AND PEMBROKE AV., HOFFMAN ESTATES

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EXHIBIT B

1. Real estate taxes and assessments not yet due or payable.
2. Public utility easement as shown on plat of Barrington Square Industrial Center Unit 2, recorded August 17, 1971 as Document 21588415 over the north 7.5 feet, the north east 7.5 feet, the south east 7.5 feet, the southwesterly 10 feet and the westerly 10 feet of the land.
3. Easement in, upon, under and along the north 7.5 feet, the north east 7.5 feet, the south east 7.5 feet, the southwesterly 10 feet and the westerly 10 feet of the land to install and maintain all equipment for the purpose of serving the subdivision and other property with telephone, electric, sewer and water service together with right of access thereto as created in the plat of subdivision aforesaid to the Illinois Bell Telephone Company and the Commonwealth Edison Company and the Village of Hoffman Estates, recorded August 17, 1971 as Document 21588415.
4. Easement to Northern Illinois Gas Company, its successors and assigns in and to the north 7.5 feet, the north east 7.5 feet, the south east 7.5 feet, the southwesterly 10 feet and the westerly 10 feet of the land and in all platted streets, alleys and other public ways and places as shown on the plat of subdivision aforesaid. Said easement to be for the installation, maintenance, relocation, renewal and removal of gas mains appurtenances.
5. Declaration of Protective Covenants recorded February 4, 1972 as Document 21798344 relating to setback lines, lot size, dock-loading, materials, landscaping, fences, water towers etc., utility services, storage yards, dumping grounds and approval of plans.

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