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NOW, THEREFORE, to secure the payment of the indebtedness secured hereby and the performance and observance by Borrower of all the terms, covenants and conditions in the Bond, in this Leasehold Mortgage, in the Mortgage, in the Bond Agreement and in the collateral documents contained, and in order to charge the properties, interests and rights hereinafter described with such

WHEREAS, Lender is desirous of securing the prompt payment of the Bond, together with interest and premium, if any, thereon and late charges, if any, due thereunder, in accordance with the terms of the Bond, and any additional indebtedness accruing to Lender on account of any future payments, advances or expenditures made by Lender pursuant to the Bond, this Leasehold Mortgage, or the Mortgage and Security Agreement of even date herewith granting to Lender a first lien on the property described in Exhibit A thereto (said mortgage, as the same may hereafter be modified, amended or supplemented being herein called the "Mortgage"), the first Mortgage Bond Purchase Agreement of even date herewith (the "Bond Agreement") and to all other instruments and documents securing or guaranteeing the Bond (said documents, as any of them may be amended, modified or supplemented from time to time being herein called the "Collateral Documents"), all hereinafter sometimes collectively called the "Indebtedness secured hereby";

WHEREAS, Borrower is justly indebted to Lender in the principal sum of Thirty Million and 00/100ths Dollars (\$30,000,000.00) (the "Loan") as evidenced by a certain bond dated October 19, 1987, the final payment of which is due on October 19, 1997, executed by Borrower and delivered to Lender (which bond, together with all bonds issued in substitution or exchange therefor, as any of the foregoing may be amended, extended, modified or supplemented from time to time hereafter, is hereinafter called the "Bond"); and

W I T N E S S E T H :

THIS LEASEHOLD MORTGAGE AND SECURITY AGREEMENT (hereinafter called the "Leasehold Mortgage"), made as of this 5th day of October, 1987, between CHICAGO SUN-TIMES, INC., a Delaware corporation, having its principal office and place of business at 401 North Wabash Avenue, Chicago, Illinois 60611 (hereinafter called "Borrower"), and METROPOLITAN LIFE INSURANCE COMPANY, a New York corporation, having its principal office and place of business at One Madison Avenue, New York, New York 10010 (hereinafter called "Lender");

LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

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payment, performance and observance, and for and in consideration of the sum of One Dollar (\$1.00) lawful money of the United States of America to Borrower duly paid by Lender on or before the delivery of this Leasehold Mortgage, and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, Borrower has executed and delivered this Leasehold Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, warrant and confirm unto Lender and its successors and assigns, forever, all of the following described property (such property is collectively herein-after sometimes called the "Leasehold Mortgaged Property"), to-wit:

(A) All of Borrower's right, title and interest, as lessee, in and to the lease more particularly described in Schedule A attached hereto (the "Lease"), including without limitation, all credits, privileges, rights, options to renew or extend and any other options or rights of Borrower, as lessee, under the Lease and all right, title and interest of Borrower, as lessee, under the Lease, in and to the premises demised by the Lease (the "Land"). The Land is more particularly described on Exhibit A-1 attached hereto and made a part hereof;

(B) All of Borrower's right, title and interest, as lessee under the Lease to any and all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, or any parcel thereof, and all of Borrower's right, title and interest, as lessee under the Lease to any and all (i) furnishings, furniture, fixtures, machinery, equipment, appliances, systems, building materials, vehicles and tangible personal property similar to any of the foregoing (hereinafter collectively "equipment") (including, without limitation, presses and printing equipment, instruments, computer equipment, terminals and peripherals and other data and word processing equipment and computer software, together with tools and machine parts of every kind and description, all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures and systems, signs, carpeting and other floor coverings, washers, dryers, water heaters, mirrors, mantels, air-conditioning apparatus and systems, refrigerating plant, refrigerators, cooking apparatus and appurtenances, window washing, and snow removal equipment, window screens, awnings, and storm sashes), which are or shall be attached to any of said buildings, structures or improvements, or which are or shall be located in, on or about the Land, or any parcel thereof, or which, wherever located (including, without limitation, in warehouse or other storage facilities or in the possession of or on the premises of vendors or manufacturers thereof), are used or intended to be used in or in connection with

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WITHOUT LIMITATION OF THE FOREGOING, BORROWER HEREBY FURTHER grants unto Lender, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which property includes, without limitation, goods which are or are to become fixtures.

TO HAVE AND TO HOLD the Leasehold Mortgaged Property and all parts thereof unto Lender, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

(c) All of Borrower's right, title and interest, as lessee under the lease to any and all easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, licenses, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating to or appertaining to the Land or any parcel thereof, and the property referred to in Paragraph B above, or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, now owned or hereafter acquired by Borrower, and the reversion and reversions, remainder and remainders, and the rents, issues, profits and revenues of the Land and the property referred to in Paragraph B above from time to time accruing (including, without limitation, all payments under leases or tenancies, proceeds of insurance, condemnation payments, tenant security deposits and escrow funds), and all of the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Borrower of, in and to the same;

the construction, furnishing, equipping, turning, use or operation of the Land, or any parcel thereof, or any of the improvements thereon, (ii) warehouse receipts or other documents of title relating to any of the foregoing and (iii) permits, licenses and franchises, and all contract rights now or hereafter owned by Borrower and relating to the ownership and operation of the Land, or any parcel thereof, or the improvements thereon, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing, together with the benefit of any deposits or payments now or hereafter made by Borrower or on its behalf in connection with any of the foregoing, but specifically excluding all personal property now or hereafter owned or leased by any tenant leasing any portion of the Land or the buildings, structures or improvements located thereon; and

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THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of the indebtedness secured hereby, and (b) performance of each and every of the covenants, conditions and agreements contained in this Leasehold Mortgage, in the Mortgage, in the Bond, in the Bond Agreement and in the Collateral Documents.

It is expressly understood and agreed that the indebtedness secured hereby will in no event exceed Seventy Million and no/100 Dollars (\$70,000,000.00).

PROVIDED, HOWEVER, that these presents are upon the condition that, if Borrower shall pay or cause to be paid to Lender the principal and interest payable pursuant to the Bond, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by Borrower, and shall keep, perform and observe all and singular the covenants and promises in the Bond, in the Mortgage, in this Leasehold Mortgage, in the Bond Agreement and in the Collateral Documents expressed to be kept, performed and observed by and on the part of Borrower, then this Leasehold Mortgage shall cease, terminate and be void, but shall otherwise remain in full force and effect.

AND Borrower covenants and agrees with Lender that:

ARTICLE I

1.01 Performance of Bond and Leasehold Mortgage. Borrower will perform, observe and comply with all provisions hereof and of the Bond and will duly and punctually pay to Lender the sum of money expressed in the Bond with interest and premium, if any, thereon and all other sums required to be paid by Borrower pursuant to the provisions of the Bond, this Leasehold Mortgage, the Mortgage, the Bond Agreement and the Collateral Documents, all without any deductions or credit for taxes or other similar charges paid by Borrower.

1.02 Representation of Title. At the time of the delivery of these presents, Borrower is well seized of the leasehold estate in each portion of the Leasehold Mortgaged Property which constitutes real property and owns good title to the portion of the Leasehold Mortgaged Property which constitutes personal property, subject only to the matters set forth in Schedule B attached hereto and made a part hereof, and has good right, full power and lawful authority to convey and mortgage and grant a security interest in the same, in the manner and form aforesaid; that, except as set forth in Schedule B hereto, the same is free and clear of all liens, charges, easements, covenants, conditions, restrictions and

encumbrances whatsoever, including, as to the personal property and fixtures, security agreements, conditional sales contracts and anything of a similar nature; and that Borrower shall and will warrant and forever defend the title to the Leasehold Mortgaged Property against the claims of all persons whomsoever.

1.03 Taxes, Liens and Other Charges.

(a) Subject to the terms of the Lease, Borrower will pay promptly, when and as due, and will promptly exhibit to Lender receipts for the payment of, all taxes, assessments, water rates, sewer charges, license fees, dues, charges, fines and impositions of every nature whatsoever charged, imposed, levied or assessed or to be charged, imposed, levied or assessed upon or against the Leasehold Mortgaged Property or any part thereof, or upon the interest of Lender in the Leasehold Mortgaged Property, as well as all income taxes, assessments and other governmental charges lawfully levied and imposed by the United States of America or any state, county, municipality or other taxing authority in respect of the Leasehold Mortgaged Property or any part thereof, or any charge which, if unpaid, would or could become a lien or charge upon the Leasehold Mortgaged Property, or any part thereof.

Notwithstanding the foregoing, Lender shall not exercise any of its rights provided for in this paragraph (a) if Borrower is, in good faith, contesting the payment of any of said taxes, assessments, water rates, sewer rents, license fees, dues, charges, fines and impositions, or any prior liens now or hereafter assessed or liens on or levied against the Leasehold Mortgaged Property or any part thereof by appropriate proceedings diligently pursued, if (i) Borrower is not in default hereunder, under the Mortgage, under the Bond or under any of the Collateral Documents, (ii) Borrower has provided Lender with a bond or other security satisfactory in form and substance to Lender, to assure Lender against any loss arising from any such nonpayment by Borrower, and (iii) any such lien created against the Leasehold Mortgaged Property shall not as a result of such contest, in Lender's sole opinion, adversely affect Lender's rights under this Leasehold Mortgage or the priority of Lender's lien on the Leasehold Mortgaged Property.

(b) Borrower will not suffer any construction, mechanic's, laborer's, materialmen's, manager's, statutory or other lien or any security interest or encumbrance to be created or to remain outstanding upon any of the Leasehold Mortgaged Property.

Notwithstanding the foregoing, Lender shall not exercise any of its rights provided for in this paragraph (b) if Borrower is, in good faith, contesting the payment of any of said construc-

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tion, mechanic's, laborer's, materialmen's, manager's, statutory or other lien or any prior liens now or hereafter assessed or liens on or levied against the Leasehold Mortgaged Property or any part thereof by appropriate proceedings diligently pursued, if (i) Borrower is not in default hereunder, under the Mortgage, under the Bond or under any of the Collateral Documents, (ii) Borrower has provided Lender with a bond or other security satisfactory in form and substance to Lender, to assure Lender against any loss arising from any such nonpayment by Borrower, and (iii) any such lien created against the Leasehold Mortgaged Property shall not as a result of such contest, in Lender's sole opinion, adversely affect Lender's rights under this Leasehold Mortgage or the priority of Lender's lien on the Leasehold Mortgaged Property.

(c) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages or the manner of collecting taxes so as to affect adversely Lender, all sums secured by this Mortgage and all interest accrued thereon shall, without notice, become due and payable forthwith at the option of Lender.

(d) Borrower will pay when due any charges for utilities, whether public or private, with respect to the Leasehold Mortgaged Property or any part thereof and all license fees, rents or other charges for the use of vaults, canopies or other appurtenances to the Leasehold Mortgaged Property.

1.04 No Tax Credits. Borrower will not claim or demand or be entitled to receive any credit or credits on the principal or interest payable under the terms of the Bond or on any other sums secured hereby for so much of the taxes, assessments or similar charges assessed against the Leasehold Mortgaged Property or any part thereof as are applicable to the indebtedness secured hereby or to Lender's interest in the Leasehold Mortgaged Property. No deduction shall be claimed from the taxable value of the Leasehold Mortgaged Property or any part thereof by reason of the Bond or this Leasehold Mortgage.

1.05 Insurance. Borrower will procure and maintain for the benefit of Lender during the term of this Leasehold Mortgage, a policy or policies insuring Borrower's leasehold improvements and fixtures ("Borrower's Leasehold Improvements and Fixtures") (and each part thereof) against fire, lightning, vandalism, malicious mischief, flood, earthquake, public liability, business interruption and such other insurable perils as Lender may require and such additional insurance as Lender may from time to time

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reasonably require. Borrower shall pay for all premiums on such policies and will deliver certified copies of such policies to Lender upon receipt thereof. The companies issuing such policies, and the amounts, forms, expiration dates and substance of such policies, shall be acceptable to Lender and shall contain, in favor of Lender, the New York Standard Non-Contributory Mortgagee Clause, or its equivalent, and a Lender's Loss Payable Endorsement, in form satisfactory to Lender, and a Replacement Cost Endorsement, in form satisfactory to Lender. At least fifteen (15) days prior to the expiration date of each such policy, a renewal thereof satisfactory to Lender shall be delivered to Lender. Borrower shall deliver to Lender receipts evidencing the payment for all such insurance policies and renewals. The delivery of the insurance policies shall constitute an assignment as further security for the indebtedness secured hereby of all unearned premiums. In the event of the foreclosure of this Leasehold Mortgage or any other transfer of title to the Leasehold Mortgaged Property in extinguishment in whole or in part of the indebtedness secured hereby, all right, title and interest of Borrower in and to all insurance policies then in force shall pass to the purchaser or grantee.

Each insurance company is hereby authorized and directed to make payment for any and all losses in connection with Borrower's Leasehold Improvements and Fixtures directly to Lender instead of to Borrower. Lender shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure or for any use by Borrower of such proceeds as Lender may pay over to Borrower. In the event of damage or destruction to the Leasehold Mortgaged Property and the Landlord under the Lease elects to repair and restore the same, after deducting from said insurance proceeds, all of its expenses incurred in the collection and administration of such sums, including reasonable attorneys' fees, Lender shall apply said insurance proceeds to the repair and restoration of Borrower's Leasehold Improvements and Fixtures. In the event of damage or destruction of the Leasehold Mortgaged Property and Landlord under the Lease elects not to repair and rebuild the same, Lender shall be entitled to any and all insurance proceeds paid out in connection with Borrower's Leasehold Improvements and Fixtures, to the extent of the indebtedness secured hereby.

Any balance of such net insurance proceeds remaining after payment of all the costs of such repair, rebuilding or restoration shall be paid to the Borrower.

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The Borrower shall not, by reason of the payment of such excess costs whether by direct payment thereof or advances to the Lender therefor, be entitled to any reimbursement from the Lender or any abatement or diminution of the amounts payable under this Leasehold Mortgage or the Bond.

1.06 Condemnation. The provisions of paragraph 14 of the Lease shall govern the distribution of any condemnation award among Landlord, Borrower and Lender.

1.07 Care of the Property.

(a) Borrower will preserve and maintain the Leasehold Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Borrower will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Leasehold Mortgaged Property or any part thereof.

(b) Except as otherwise provided herein, no improvements, fixtures, personal property or other part of the Leasehold Mortgaged Property in which borrower has an interest shall be removed, added to, demolished or altered structurally to any extent or altered non-structurally in any material respect without the prior written consent of Lender. Borrower may sell or otherwise dispose of, free from the lien of this Leasehold Mortgage, furniture, furnishings, equipment, tools, appliances, machinery, fixtures, or appurtenances subject to the lien hereof, which may become worn out, undesirable, obsolete, disused or unnecessary for use in the operation of the Leasehold Mortgaged Property, having a fair market value not exceeding, at the time of disposition thereof, Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00) upon replacing the same by, or substituting for the same, other furniture, furnishings, equipment, tools, appliances, machinery, fixtures, or appurtenances not necessarily of the same character, but of at least equal value to Borrower and costing not less than the amount realized from the property sold or otherwise disposed of, which shall forthwith become, without further action, subject to the lien and security interest of this Leasehold Mortgage.

(c) If the Leasehold Mortgaged Property or any part thereof is damaged by fire or any other cause, Borrower will give immediate written notice of the same to Lender.

(d) Lender or its representatives is hereby authorized to enter upon and inspect any part of the Leasehold Mortgaged Property at any time during normal business hours during the term of this Mortgage.

(e) In all material respects, Borrower will promptly comply, and cause the Leasehold Mortgaged Property and the occupants or users thereof to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Leasehold Mortgaged Property or any part thereof or the use or occupancy thereof and with all instruments and documents of record or otherwise affecting the Leasehold Mortgaged Property, or any part thereof, or the use or occupancy thereof.

(f) Borrower represents and covenants to Lender that: (i) the Leasehold Mortgaged Property has never been used for any of (aa) a sanitary land fill, (bb) a dump, or (cc) a disposal site for waste, oil, pesticides or toxic substances or materials of any kind, and (ii) Borrower (aa) has not received any notice of any hazardous or other waste substances or materials in, under or upon the Leasehold Mortgaged Property or of any violation of any environmental protection laws or regulations with respect to the Mortgaged Property or (bb) does not know of any basis for any such notice or violation with respect to the Leasehold Mortgaged Property. Except in accordance with such applicable statutes and regulations, Borrower covenants and agrees that no waste, oil, pesticides or toxic substances or materials, within the definition of any applicable statute or regulation, shall be used or stored upon the Leasehold Mortgaged Property and that Borrower shall protect, defend, indemnify and hold Lender harmless from and against all loss, cost (including attorneys' fees), liability and damage whatsoever because of or in any way resulting from any violation or claimed violation of any of the covenants or agreements set forth in this Paragraph 1.07(f) or any applicable statute or regulation for the protection of the environment which occurs upon the Leasehold Mortgaged Property, or by reason of the imposition of any governmental lien for the recovery of environmental cleanup costs expended by reason of such violation, without regard to fault on the part of Borrower. Borrower shall, from time to time, if and when required by Lender, at Borrower's expense, have an engineer satisfactory to Lender (i) perform a site investigation of the Leasehold Mortgaged Property to determine the existence and levels of hazardous substances on the Leasehold Mortgaged Property and (ii) issue a report certifying the results of such inspection to Lender.

1.08 Further Assurances; After Acquired Property. At any time, and from time to time, upon request by Lender, Borrower will make, execute and deliver or cause to be made, executed and delivered, to Lender, and where appropriate, to cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by Lender, any and all such

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other and further mortgages, security agreements, financing statements, continuation statements, instruments of further assurances, certificates and other documents as may, in the reasonable opinion of Lender, be necessary or desirable in order to effectuate, complete, enlarge or perfect, or to continue and preserve, (a) the obligations of Borrower under the Bond and this Leasehold Mortgage, and (b) the lien and security interest of this Leasehold Mortgage as a first and prior lien and security interest upon all of the Leasehold Mortgaged Property, whether now owned or hereafter acquired by Borrower. Upon any failure by Borrower so to do, Lender may make, execute, record, file, re-record and/or re-file any and all such mortgages, security agreements, financing statements, continuation statements, instruments, certificates and documents for and in the name of Borrower, and Borrower hereby irrevocably appoints Lender the agent and attorney-in-fact of Borrower so to do. The lien and security interest hereof will automatically attach, without further act, to all after acquired property attached to and/or used in the operation of the Leasehold Mortgaged Property or any part thereof.

1.09 Subleases and Other Agreements Affecting Leasehold Mortgaged Property. Borrower will duly and punctually perform all terms, covenants, conditions and agreements binding upon it or the Leasehold Mortgaged Property, including, but not limited to the Lease, any sublease, or any other agreement or instrument of any nature whatsoever which involves or affects the Leasehold Mortgaged Property or any part thereof. Borrower represents that it has heretofore furnished Lender with true and complete copies of the Lease and all such subleases existing on the date of this Leasehold Mortgage. Borrower agrees to furnish Lender with executed copies of all subleases and any amendments thereto hereafter entered into with respect to all or any part of the Leasehold Mortgaged Property. Borrower will not, without the express written consent of Lender, enter into any new sublease or modify, surrender, terminate, extend or renew, either orally or in writing, any sublease now existing or hereafter created upon the Leasehold Mortgaged Property, or any part thereof, without the express written consent of Lender. If Lender so requests, Borrower shall cause the tenant under each or any of such subleases to enter into subordination and attornment agreements with Lender which are satisfactory to Lender. Borrower will not accept payment of advance rents or security deposits equal, in the aggregate, to more than one (1) month's rent without the express written consent of Lender. In order to further secure payment of the Bond and the observance, performance and discharge of Borrower's obligations hereunder, Borrower hereby assigns, transfers and sets over to Lender all of Borrower's right, title and interest in, to and under all of the subleases now or hereafter affecting the Leasehold Mortgaged Property or any part thereof and in and to all of

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the rents, issues, profits, revenues, awards and other benefits now or hereafter arising from the Leasehold Mortgaged Property, or any part thereof. Unless and until an Event of Default occurs, Borrower shall be entitled to collect the rents, issues, profits, revenues, awards and other benefits of the Leasehold Mortgaged Property (except as otherwise provided in this Leasehold Mortgage) as and when they become due and payable. Lender shall be liable to account only for rents, issues, profits, revenues, awards and other benefits of the Leasehold Mortgaged Property actually received by Lender pursuant to any provision of this Leasehold Mortgage.

Borrower covenants and agrees that all agreements to pay leasing commissions, other than to cooperating or procuring brokers not hired by Borrower, (i) shall provide that the obligation to pay such commissions will not be enforceable against any party other than the party who entered into such agreement, (ii) shall be subordinate to the lien of this Leasehold Mortgage, and (iii) shall not be enforceable against Lender. Borrower shall furnish Lender with evidence of the foregoing which is in all respects satisfactory to Lender.

Borrower further covenants and agrees that all agreements to manage the Leasehold Mortgaged Property, or any part thereof, (i) shall provide that the obligation to pay any amount thereunder will not be enforceable against any party other than the party who entered into such agreement, (ii) shall provide that such agreement, together with any and all liens and claims for lien that any manager or other person or entity performing the duties of a manager thereunder has or may thereafter have thereunder or for managing the Leasehold Mortgaged Property or any part thereof, shall be in all respects subordinate to the lien of this Leasehold Mortgage, and (iii) shall not be enforceable against Lender. Borrower shall furnish Lender with evidence of the foregoing which is in all respects satisfactory to Lender.

1.10 Expenses. Borrower will immediately upon demand pay or reimburse Lender for all reasonable attorneys' fees, costs and expenses incurred by Lender in any proceedings involving the estate of a decedent, an insolvent or a bankrupt, or in any action, proceeding or dispute of any kind in which Lender is made a party, or appears as an intervener or party plaintiff or defendant, affecting or relating to the Bond, this Leasehold Mortgage, Borrower or the Leasehold Mortgaged Property, including, but not limited to, the foreclosure of this Leasehold Mortgage, any condemnation action involving the Leasehold Mortgaged Property, or any action to protect the security hereof, and any such amounts paid by Lender shall be added to the indebtedness secured hereby and

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secured by the lien and security interest of this Leasehold Mortgage, and shall bear interest at the rate provided in the Bond for interest payable after default (the "Default Rate").

1.11 Books, Records and Accounts. Borrower will keep and maintain or will cause to be kept and maintained proper and accurate books, records and accounts reflecting all items of income and expense in connection with the operation of the Leasehold Mortgaged Property and each part thereof, or in connection with any services, equipment or furnishings provided in connection with the operation of the Leasehold Mortgaged Property and each part thereof, whether such income or expenses be realized by Borrower or by any other person or entity whatsoever excepting sublessors unrelated to and unaffiliated with Borrower and who leased from Borrower portions of the Leasehold Mortgaged Property for the purposes of occupying same. Lender or its designee shall have the right from time to time at all times during normal business hours to examine such books, records and accounts at the office of Borrower or other person or entity maintaining such books, records and accounts and to make copies or extracts thereof as Lender may desire. At the request of Lender, Borrower will furnish to Lender on or before the first day of April of each year a statement of income and expense for each part of the Leasehold Mortgaged Property during the most recent calendar year and an unqualified opinion of an independent Certified Public Accountant that such statement has been prepared in a manner consistent with prior years and in accordance with generally accepted accounting practices consistently applied and fairly and accurately presents the information contained therein. Borrower will also from time to time furnish to Lender such other financial statements and information as Lender may request.

1.12 Estoppel Affidavits. Borrower, within ten (10) days after written request from Lender, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the indebtedness secured hereby and whether or not any offsets or defenses exist against such principal and interest.

1.13 Subrogation. Lender shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the indebtedness secured hereby.

1.14 Impairment of Security. Without limitation of any other provision hereof, Borrower will not assign, in whole or in part, the rents, income or profits arising from the Leasehold Mortgaged Property without the prior written consent of Lender; any such assignment made without Lender's prior written consent shall be null and void and of no force and effect, but the attempt at

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making thereof shall, at the option of Lender, constitute an Event of Default under this Leasehold Mortgage. Without limitation of the foregoing, Borrower will not in any other manner impair the security of this Leasehold Mortgage for the payment of the indebtedness secured hereby.

1.15 Use of Leasehold Mortgaged Property. Borrower will not make, suffer or permit, without the prior written consent of Lender, any use of the Leasehold Mortgaged Property for any purpose other than that for which the same is used or intended to be used as of the date of this Leasehold Mortgage.

1.16 Use of Proceeds.

(a) Borrower represents and agrees that the proceeds of the Bond secured by this Leasehold Mortgage will be used for the purposes specified in Paragraph 6404 of Chapter 17 of the Illinois Revised Statutes, and that the indebtedness secured hereby constitutes a business loan which comes within the purview of said Paragraph 6404.

(b) All agreements between Borrower and Lender (including, without limitation, this Leasehold Mortgage, the Mortgage, the Bond and any other documents securing the indebtedness secured hereby) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Lender exceed the highest lawful rate of interest permissible under the laws of the State of Illinois. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Bond or any other documents securing the indebtedness secured hereby, at the time performance of such provision shall be due, shall involve exceeding the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then ipso facto, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under the laws of the State of Illinois, and if for any reason whatsoever, Lender shall ever receive as interest an amount which would be deemed unlawful, such interest shall be applied to the payment of the last maturing installment or installments of the indebtedness secured hereby (whether or not due and payable) and not to the payment of interest.

1.17 Prohibition of Transfer. Borrower will not, without the prior written consent of Lender, sublease, sell, assign or transfer, whether by operation of law or otherwise, all or any portion of its interest in the Leasehold Mortgaged Property. If Borrower is a trust, the Beneficiary (hereinafter defined) shall not, without the prior written consent of Lender, sublease, sell, assign or transfer, whether by operation of law or otherwise, all or any

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portion of the beneficial interest in the trust that is Borrower. If Borrower or any Beneficiary is a partnership or a corporation (other than a corporation, the stock of which is publicly traded), no partnership interest or stock interest in Borrower or such Beneficiary shall be subleased, sold, assigned, or transferred without the prior written consent of Lender. Any such sublease, sale, assignment or transfer made without Lender's prior written consent shall be null and void and of no force and effect, but the attempt at making thereof shall, at the option of Lender, constitute an Event of Default under this Leasehold Mortgage. If Borrower is a trust, the term "Beneficiary" as used in this Leasehold Mortgage, shall mean each person or entity that possesses a beneficial interest in such trust.

1.18 Prohibition of Further Encumbrance. Except for that certain Second Illinois Mortgage dated July 2, 1986 and recorded July 2, 1986 as Document 86273222, made by CST Acquisition Company, a Delaware corporation, to Citicorp Industrial Credit, Inc., individually and as agent for Citibank, N.A., a national banking association and Citibank International-Atlanta, a Delaware corporation, that certain "Second Assignment of Leases" and that certain "Second Assignment of Rents" (as these terms are defined in the Assignment of Rents), Borrower will not, without the prior written consent of Lender, further sublease, mortgage, grant a deed of trust, pledge, sublease, or otherwise encumber, whether by operation of law or otherwise, all or any of its interest in the Leasehold Mortgaged Property. If Borrower is a trust, no Beneficiary shall, without the prior written consent of Lender, sublease, mortgage, pledge, create a security interest in or otherwise encumber all or any portion of its beneficial interest in the trust that is Borrower. Any such sublease or encumbrance made without Lender's prior written consent shall be null and void and of no force and effect, but the attempt at making thereof shall, at the option of Lender, constitute an Event of Default under this Leasehold Mortgage.

1.19 Performance of Lease Obligations.

(a) Borrower will timely and fully perform and comply with, all of the terms, covenants and conditions contained in the Lease required to be performed and complied with by the tenant thereunder and will not do or suffer to be done anything the doing of which, or refrain from doing anything the omission of which, might impair the security of this Leasehold Mortgage or constitute a basis for a termination of the Lease.

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(b) Borrower will keep the Lease in full force and effect and will not modify, extend or in any way alter the terms of the Lease or cancel, terminate, or surrender the Lease, or waive, excuse, condone or in any way release or discharge the lessor thereunder ("Lessor") of or from the obligations, covenants, conditions and agreements to be kept and performed by said Lessor. Borrower will promptly notify Lender in writing of any default by Lessor under the Lease. Borrower will not terminate the Lease without the prior written consent of Lender for any reason whatsoever, including, without limitation, a default by the Lessor thereunder.

(c) In accordance with the provisions of paragraph 1.20(b) above, Borrower will promptly advise Lender in writing of the giving of any notice by the Lessor to Borrower of any default by Borrower, as tenant, in the performance or observance of any of the terms, covenants or conditions of the Lease on the part of Borrower, as tenant thereunder, to be performed or observed, and deliver to Lender a true copy of each such notice and of any other notice given by Lessor to Borrower as tenant under the Lease.

ARTICLE II

2.01 Events of Default. The terms "Event of Default" or "Events of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(a) An Event of Default shall occur under the Bond; or

(b) Failure by Borrower to duly observe or perform any other term, covenant, condition or agreement of this Leasehold Mortgage which failure continues for in excess of 10 days after written notice thereof from Lender to Borrower. Notwithstanding the foregoing, if such default cannot reasonably be cured within such 30 day period, then Borrower shall not be in default if Borrower commences to cure such default within such 30 day period and cures such default within a reasonable period of time thereafter; or

(c) Any Event of Default shall occur under the Mortgage or under any of the Collateral Documents; or

(d) The filing by Borrower of a voluntary petition in bankruptcy or Borrower's adjudication as a bankrupt or insolvent, or the filing by Borrower of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or similar relief for

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debtors, or Borrower or Borrower's directors or the holders of a majority of the stock of Borrower taking corporate action to dissolve or liquidate Borrower, or Borrower's seeking or consenting to or acquiescing in the appointment of any trustee, receiver or liquidator of itself or any portion of its assets or of all or any part of the Leasehold Mortgaged Property or of any or all of the rents, issues, profits or revenues thereof, or the making of any general assignment for the benefit of creditors, or the admission in writing of its inability to pay its debts generally as they become due; or

(e) A petition against Borrower in a proceeding under any present or future, federal, state or other law or regulation relating to bankruptcy, insolvency or other relief for debtor shall be filed and shall not be dismissed within 90 days after such filing, or the entry by a court of competent jurisdiction of an order, judgment or decree approving a petition filed against Borrower seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or similar relief for debtors, which order, judgment or decree remains unvacated and unstayed for an aggregate of ninety (90) days from the date of entry thereof, or the assumption by any court of competent jurisdiction of jurisdiction, custody or control of Borrower, any substantial part of its property or of all or any part of the Leasehold Mortgaged Property, or the appointment of any trustee, receiver or liquidator of Borrower or of any substantial part of its property, or of all or any part of the Leasehold Mortgaged Property or of any or all of the rents, issues, profits or revenues thereof without its consent or acquiescence, or the sequestration of any substantial part of the property of Borrower, which assumption, appointment or sequestration shall remain unvacated or unstayed for an aggregate of ninety (90) days; or

(f) Any representation or warranty made hereunder, under the Bond Agreement, under any of the Collateral Documents or in any certificate delivered by Borrower and delivered to Lender simultaneously with this Leasehold Mortgage, shall be or proves to be false or misleading in any material respect on the date as of which made; or

(g) Any other debt or obligation of Borrower in excess of \$500,000.00 is accelerated or not paid, when due; or

(h) Borrower defaults under the Lease and such default gives rise to right to terminate the Lease by the Lessor.

2.02 Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, then the entire indebtedness secured hereby and, to the fullest extent permitted by applicable law, any premium with respect to prepayment, shall, at the option of Lender, immediately become due and payable without notice or demand (notice and demand being hereby waived).

2.03 Lender's Right to Enter and Take Possession, Operate and Apply Revenues.

(a) If an Event of Default shall have occurred and be continuing, Borrower, upon demand of Lender, shall forthwith surrender to Lender the actual possession, and if and to the extent permitted by law, Lender itself, or by such officers or agents as it may appoint, may enter and take possession, of all or any part of the Leasehold Mortgaged Property, and may exclude Borrower and its agents and employees wholly therefrom, and may have joint access with Borrower to the books, papers and accounts of Borrower.

(b) If Borrower shall for any reason fail to surrender or deliver the Leasehold Mortgaged Property or any part thereof after such demand by Lender, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring the delivery of immediate possession of all or part of such Leasehold Mortgaged Property to Lender, to the entry of which judgment or decree Borrower specifically consents.

(c) Borrower will pay to Lender, upon demand, all expenses (including, without limitation, fees and expenses of attorneys, accountants and agents) of obtaining such judgment or decree or of otherwise seeking to enforce its rights under the Bond or this Leasehold Mortgage; and all such expenses shall, until paid, be secured by this Leasehold Mortgage and shall bear interest at the Default Rate.

(d) Upon every such entering upon or taking of possession, Lender may hold, store, use, operate, manage and control the Leasehold Mortgaged Property, or any part thereof, and conduct the business thereof, and, from time to time, (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property; (ii) manage and operate the Leasehold Mortgaged Property and exercise all of the rights and powers of Borrower to the same extent as Borrower could in its own name or otherwise with respect to the same; and (iii) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Lender, all as Lender from time to time may

determine to be to its best advantage. Lender may collect and receive all of the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting (aa) all expenses of taking, holding, managing and operating the Leasehold Mortgaged Property (including compensation for the services of all persons employed for such purposes), (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions, (cc) such taxes, assessments and other similar charges as Lender may determine to pay, (dd) other proper charges upon the Leasehold Mortgaged Property or any part thereof, and (ee) the fees, compensation, expenses and disbursements of the attorneys and agents of Lender, shall apply the remainder of the monies and proceeds so received by Lender, first to payment of accrued interest, second to the payment of taxes and insurance premiums, and third to the payment of principal.

(e) Lender shall have no liability for any loss, damage, injury, cost or expense resulting from any action or omission by it or its representatives which was taken or omitted in good faith.

2.04 Performance by Lender of Defaults. If default shall occur in the payment, performance or observance of any term, representation, warranty, covenant or condition of this Leasehold Mortgage (whether or not the same shall constitute an Event of Default), which default continues beyond the applicable grace period, or which default, in Lender's reasonable judgment, would materially, adversely affect the Leasehold Mortgaged Property, Lender may (but shall not be obligated to), at its option, pay, perform or observe the same or take any action necessary to cause any representation or warranty to be true, and all payments made or costs or expenses incurred by Lender in connection therewith, shall be secured hereby and shall be, without demand, immediately repaid by Borrower to Lender with interest thereon at the Default Rate. Lender shall be the sole judge of the necessity for any such actions and of the amounts to be paid. Lender is hereby empowered to enter and to authorize others to enter upon the Leasehold Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Borrower or any person in possession holding under Borrower. No payment, performance, or observance by Lender shall be deemed a waiver of, or, in any way, relieve Borrower from, any default or Event of Default hereunder.

2.05 Receiver. If an Event of Default shall have occurred and be continuing, Lender, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right without notice and without regard to the occupancy or value of any security for the indebtedness or the insolvency of any party bound

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for its payment to the appointment of a receiver to take possession of and to operate the Leasehold Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall have all of the rights and powers to the fullest extent permitted by law. Borrower will pay to Lender upon demand (with interest thereon at the Default Rate) all expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the provisions of this paragraph; and all such expenses shall be secured by this Leasehold Mortgage and shall bear interest at the Default Rate.

2.06 Lender's Power of Enforcement. If an Event of Default shall have occurred and be continuing, Lender may, either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy (a) to enforce payment of the Bond or the performance of any term, covenant, condition or agreement of this Leasehold Mortgage or any other rights, (b) to foreclose this Leasehold Mortgage and, (c) to pursue any other remedy available to it, all as Lender shall deem most effectual for such purposes. Lender may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as Lender may determine. Lender may elect to pursue any one or more of the foregoing.

2.07 Purchase by Lender. Upon any foreclosure sale, Lender may bid for and purchase the Leasehold Mortgaged Property, or any part thereof, and shall be entitled to apply all or any part of the indebtedness secured hereby as a credit to the purchase price.

2.08 Fees and Expenses; Application of Proceeds of Sale. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness secured hereby in the decree for sale all costs and expenses which may be paid or incurred by or on behalf of Lender or holders of the Bond for attorneys' fees, appraiser's fees, receiver's costs and expenses, insurance, taxes, outlays for documentary and expert evidence, costs for preservation of the Leasehold Mortgaged Property, stenographer's charges, publication cost and costs of procuring all abstracts of title, title searches and examinations, guarantee policies, Certificates of Title issued by the Registrar of Titles (Torrens certificates), and similar data and assurances with respect to title as Lender or holders of the Bond may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the Leasehold Mortgaged Property or for any other reasonable purpose. The amount of any such costs or expenses which may be paid or incurred after the decree for sale is entered may be estimated and the amount of such estimate may be allowed

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and included as additional indebtedness secured hereby in the decree for sale. In the event of a foreclosure sale of the Leasehold Mortgaged Property, the proceeds of said sale shall be applied, first, to the expenses of such sale and of all proceedings in connection therewith, including attorneys' fees, then to insurance premiums, liens, assessments, taxes and charges, including utility charges, then to payment of the outstanding principal balance of the indebtedness secured hereby, then to the accrued interest on all of the foregoing, and finally the remainder, if any, shall be paid to Borrower.

2.09 Waiver of Appraisement, Valuation, Stay, Extension and Redemption Laws. Borrower agrees to the full extent permitted by law, that if an Event of Default occurs hereunder, neither Borrower nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension, homestead or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Leasehold Mortgage, or the absolute sale of the property hereby conveyed, or the final and absolute putting into possession thereof. Immediately after such sale, of the purchasers thereat, and Borrower, for itself and all who may at any time claim through or under it, hereby waives and releases to the full extent that it may lawfully so do, the benefit of all such laws (including, without limitation, all rights under and by virtue of the homestead exemption laws of the State of Illinois) and any and all rights to have the assets comprised in the security intended to be created hereby marshaled upon any foreclosure of the lien hereof. If Borrower is a trustee, Borrower represents that it is duly authorized and empowered by the trust instruments and by all persons having the power of direction over it as such trustee to execute this Leasehold Mortgage, including the foregoing agreements, waivers and releases.

2.10 Subleases. Lender, at its option, is authorized to foreclose this Leasehold Mortgage subject to the rights of any subtenants of the Leasehold Mortgaged Property, and the failure to make such subtenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Borrower, a defense to any proceedings instituted by Lender to collect the sums secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Leasehold Mortgaged Property.

2.11 Discontinuance of Proceedings and Restoration of the Parties. In case Lender shall have proceeded to enforce any right, power or remedy under this Leasehold Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been

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determined adversely to Lender, then and in every such case Borrower and Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender shall continue as if no such proceeding had been taken.

2.12 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Lender by this Leasehold Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

2.13 Waiver. No delay or omission of Lender or of any holder of the Bond to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Leasehold Mortgage to Lender may be exercised from time to time and as often as may be deemed expedient by Lender. No consent or waiver, expressed or implied, by Lender to or of any breach or default by Borrower in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of Borrower hereunder. Failure on the part of Lender to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Lender of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Borrower.

If Lender (a) grants forbearance or any extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment of any sums secured hereby; (c) waives or does not exercise any right granted herein or in the Bond or in any other document or instrument securing the Bond; (d) releases with or without consideration any of the Leasehold Mortgaged Property from the lien of this Leasehold Mortgage or any other security for the payment of the indebtedness secured hereby; (e) changes any of the terms, covenants, conditions or agreements of the Bond or this Leasehold Mortgage or in any other document or instrument securing the Bond; (f) consents to the filing of any map, plat or replat or condominium declaration affecting the Leasehold Mortgaged Property; (g) consents to the granting of any easement or other right affecting the Leasehold Mortgaged Property; or (h) makes or consents to any agreement subordinating the lien hereof; any such act or omission shall not release, discharge, modify, change or affect (except to the extent of the changes referred to in clause (e) above) the original liability

under the Bond, this Leasehold Mortgage or any other obligation of Borrower or any subsequent purchaser of the Leasehold Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor; nor shall any such act or omission preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in the event of any default then made or of any subsequent default, nor, except as otherwise expressly provided in an instrument or instruments executed by Lender, shall the lien of this Leasehold Mortgage or the priority thereof be altered thereby, whether or not there are junior lienors and whether or not they consent to any of the foregoing. In the event of the sale or transfer, by operation of law or otherwise, of all or any part of the Leasehold Mortgaged Property, Lender, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Leasehold Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings. The foregoing shall not limit the prohibition against such sale or transfer as set forth in Paragraph 1.17 hereof.

Without limitation of the foregoing, the right is hereby reserved by Lender to make partial release or releases of the Leasehold Mortgaged Property, or of any other security held by Lender with respect to all or any part of the indebtedness secured hereby, without notice to, or the consent, approval or agreement of, other parties in interest, including junior lienors, which partial release or releases shall not impair in any manner the validity or priority of this Leasehold Mortgage on the portion of said property not so released.

2.14 Lender's Actions. Whenever Lender is authorized to take any action under this Leasehold Mortgage, including but not limited to paragraph 2.02 above, it shall act in accordance with the instructions of the Holder or Holders (as defined in the Bond) of not less than 66-2/3%, in the aggregate, of the principal amount then outstanding under the Bond.

ARTICLE III

3.01 Suits to Protect the Leasehold Mortgaged Property. Lender shall have the power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Leasehold Mortgaged Property by any acts which may be unlawful or in violation of this Leasehold Mortgage; (b) to preserve or protect its interest in the Leasehold Mortgaged

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Property and in the rents, issues, profits and revenues arising therefrom; and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, regulation, rule, order or other requirement that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, regulation, rule, order or other requirement would impair the security hereunder or be prejudicial to the interest of Lender, and all costs and expenses incurred by Lender in connection therewith (including, without limitation, attorneys' fees) shall be paid by Borrower to Lender on demand (with interest at the Default Rate) and shall be additional indebtedness secured hereby.

3.02 Lender May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Borrower, its creditors or its property, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lender allowed in such proceedings for the entire amount due and payable by Borrower under this Leasehold Mortgage at the date of the institution of such proceedings and for any additional amount which may become due and payable by Borrower hereunder after such date.

3.03 Successors and Assigns. This Leasehold Mortgage shall inure to the benefit of and be binding upon Borrower and Lender and their respective heirs, executors, legal representatives, successors and assigns. Whenever a reference is made in this Leasehold Mortgage to Borrower or to Lender, such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors and assigns of Borrower or Lender.

3.04 Notices. All notices, demands and requests given or required to be given by either party hereto to the other party shall be in writing. All such notices, demands and requests by Lender to Borrower shall be deemed to have been properly given if served in person or if sent by United States registered or certified mail, postage prepaid, addressed to Borrower at:

Chicago Sun-Times, Inc.
401 N. Wabash Avenue
Chicago, Illinois 60611
Attention: Donald F. Piazza
Chief Financial Officer

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with a copy to:

Kirkland & Ellis
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Thomas Scharbach, Esq.

or to such other address as Borrower may from time to time designate by written notice to Lender given as herein required. All notices, demands and requests by Borrower to Lender shall be deemed to have been properly given if served in person and if sent by United States registered or certified mail, postage prepaid, addressed to Lender at:

Metropolitan Life Insurance Company
One Madison Avenue
New York, New York 10010
Attention: Senior Vice President
Real Estate Investments

with a copy to:

Metropolitan Life Insurance Company
Corporate Investments
135 South LaSalle Street, Suite 1905
Chicago, Illinois 60603
Attention: Vice President

and a copy to:

Metropolitan Life Insurance Company
2021 Spring Road
Suite 300
Oak Brook, Illinois 60521
Attention: Vice President
Real Estate Investments

or to such other address as Lender may from time to time designate by written notice to Borrower given as herein required. Notices, demands and requests given by mail in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder three (3) days after the time such notice, demand or request shall be deposited in the mails.

3.05 Terminology. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of

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this Leasehold Mortgage itself, and all references herein to Articles, Sections or Paragraphs shall refer to the corresponding Articles, Sections or Paragraphs of this Leasehold Mortgage unless specific reference is made to such Articles, Sections or Paragraphs of another document or instrument.

3.06 Severability. If any provision of this Leasehold Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Leasehold Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

3.07 Applicable Law. This Leasehold Mortgage shall be interpreted, construed and enforced according to the laws of the State of Illinois.

3.08 Security Agreement. This Leasehold Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Leasehold Mortgaged Property which constitutes fixtures or personal property. Lender shall have all the rights with respect to such fixtures and personal property afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Lender by this Leasehold Mortgage or any other agreement.

3.09 Modification. No change, amendment, modification, cancellation or discharge hereof, or any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

3.10 No Merger. It being the desire and intention of the parties hereto that the Leasehold Mortgage and the lien thereof do not merge in fee simple title to the Leasehold Mortgaged Property, it is hereby understood and agreed that should Lender now own or hereafter acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Lender as evidenced by an appropriate document duly recorded, this Leasehold Mortgage and the lien thereof shall not merge in the fee simple title, toward the end that this Leasehold Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

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3.11 Delivery of Summons, Etc. If any action or proceeding shall be instituted to evict Borrower or recover possession of the Leasehold Mortgaged Property or any part thereof or otherwise affecting the Leasehold Mortgaged Property or this Leasehold Mortgage, Borrower will immediately, upon service thereof on or by Borrower, deliver to Lender a true copy of each precipe, petition, summons, complaint, notice of motion, order to show cause and all other process, pleadings and papers, however designated, served in any such action or proceeding.

3.12 Joint and Several. If Borrower consists of more than one person or entity, the liability of each hereunder shall be joint and several.

3.13 Truth-In-Lending. Borrower represents and agrees that the obligation secured hereby is an exempt transaction under the Truth-In-Lending Act, 15 U.S.C., Section 1601 et seq.

IN WITNESS WHEREOF, Chicago Sun-Times, Inc., a Delaware corporation, Mortgagor herein, has caused these presents to be signed by its Executive Vice President, and its corporate seal to be hereunto affixed and attested by its Secretary on the day and year first above written.

CHICAGO SUN-TIMES, INC., a
Delaware corporation

By: Donald F. Piazza
Donald F. Piazza, Executive
Vice President

(SEAL)

Attest:

Charles T. Price
Charles T. Price, Secretary

COOK COUNTY, ILL. 60601
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STATE OF ILLINOIS)
COUNTY OF COOK) SS.

I, Nanette Bernier, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Donald F. Piazza, Executive Vice President of Chicago Sun-Times, Inc., a Delaware corporation, and Charles T. Price, Secretary of said Corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Executive Vice President and Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth; and said Secretary then and there acknowledged that he, as custodian of the corporate seal of said Corporation, did affix the corporate seal of said Corporation to said instrument as his free and voluntary act and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 19th day of October, 1987.

Nanette Bernier
Notary Public

My Commission Expires:

11/25/89

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THIS INSTRUMENT WAS PREPARED BY:

Ellen Dachauer Kaplan
Katten Muchin & Zavis
525 West Monroe Street
Suite 1600
Chicago, Illinois 60606-3693

The Permanent Real Estate Index Numbers for the Mortgaged Property are:

17-10-135-013
17-10-135-023
17-10-135-024

The address for the Mortgaged Property is:

One IBM Plaza
Chicago, Illinois

After recording this instrument should be returned to:

Ellen Dachauer Kaplan
Katten Muchin & Zavis
525 West Monroe Street
Suite 1600
Chicago, Illinois 60606-3693

BOX 303 - HV

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EXHIBIT A-1

The Land:

A portion of the property and space, lying within the basement level of the building commonly known as One IBM Plaza, being a tract of land in Section 10, Township 39 North, Range 14, East of the Third Principal Meridian, comprised of those parts of Block 2 and water Lots 3 to 6, both inclusive, in Kinzie's Addition to Chicago; vacated Carroll Avenue (formerly known as New North Water Street); and vacated North Water Street; said portion of property and space lies above a horizontal plane at 5.25 feet above Chicago City Datum and below a horizontal plane at 24.00 feet above Chicago City Datum; and said part of the tract is bounded and described as follows:

Beginning at the point of intersection of the East line of North State Street, as recognized in the Wabash Avenue Bridge Ordinance passed by the City Council of the City of Chicago on July 29, 1930 with the present northerly dock line of the Chicago River as recognized in said Ordinance, said point being South 0 degrees, 9 minutes, 40 seconds West, 475.69 feet from the North West corner of said Block 2 in Kinzie's Addition to Chicago; thence North 63 degrees, 2 minutes, 40 seconds East, along the said Northerly dock line, 177.70 feet; thence North 22 degrees, 24 minutes, 30 seconds West, 68.58 feet; thence North 67 degrees, 35 minutes, 30 seconds East, 18.75 feet; thence North 22 degrees, 24 minutes, 30 seconds West, 4.25 feet; thence North 67 degrees, 35 minutes, 30 seconds East, 1.62 feet; thence North 22 degrees 24 minutes, 30 seconds West, 29.64 feet to an intersection with the South face of a concrete block wall; thence along the face of said concrete block wall, the following courses and distances: West 30.98 feet; North 0.83 of a foot; West 36.82 feet; South 0.83 of a foot; West 49.85 feet to a point on the aforesaid East line of North State Street and thence South along said East line of North State Street, 183.44 feet to the point of beginning (excepting therefrom any space therein occupied by columns, caissons, foundations, beams, gussets and other supporting structures; elevator pits, stairwells and the like; and space devoted to a minimum dockage facility on the Chicago River), in Cook County, Illinois.

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SCHEDULE A

International Business Machines Corporation, a corporation of New York, as Lessor, and Field Enterprises, Inc., a corporation of Delaware, as Lessee; which Lease was dated October 30, 1967 and a Memorandum thereof recorded October 30, 1967 as document 20305689 and amended by Amendment to Lease dated July 1, 1968 and recorded on August 12, 1968 as Document Number 20581276 and which amendment was dated October 20, 1970 and a Memorandum thereof recorded December 11, 1970 as document 21341825 and amended by Third Amendment to Lease recorded May 4, 1984 as Document 27071721 and assigned by Assignment to Lease dated January 9, 1984 and recorded on May 4, 1984 as Document Number 27071722; which Lease demises the land for a term of years beginning February 7, 1972 and terminating on February 6, 2071, unless sooner terminated as in said Lease provided.

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SCHEDULE B

1. Easements created by grant made by International Business Machines Corporation, a corporation of New York, to the City of Chicago, a municipal corporation recorded September 26, 1975 as Document 23235534, and described as follows:

(A) Easement for pit for water facilities beginning at the South East corner of the aforesaid easement for water tunnel and running thence South 0 degrees, 09 minutes, 40 seconds West, 11.37 feet; thence North 67 degrees, 35 minutes, 30 seconds East, 4.82 to an intersection with the 68.58 foot course of the Easterly boundary of the land; thence North 22 degrees, 24 minutes, 30 seconds West, along said part of the Easterly boundary, 1.00 foot to the Westerly terminus of the land; thence North 67 degrees, 35 minutes, 30 seconds East, along said part of the Easterly boundary, 12.37 feet; thence North 22 degrees 24 minutes, 30 seconds West, 11.62 feet; thence South 67 degrees, 45 minutes, 10 seconds West, 11.62 feet; thence South 67 degrees, 45 minutes, 10 seconds West, 3.63 feet; thence North 89 degrees, 50 minutes, 20 seconds West, 5.09 feet; thence South 45 degrees, 09 minutes 49 second West, 1.93 feet, thence Eastwardly, Southwardly, and Westwardly along the arc of a circle, convex to the East and having a radius of 2.25 feet, 6.84 feet to a point which is North 0 degrees, 09 minutes, 40 seconds East, 9.80 feet from the point of beginning; thence South 0 degrees, 09 minutes, 40 seconds West, 9.80 feet to the point of beginning;

(1) Lying above and extending upward from a horizontal plane have an elevation of 3.50 feet below Chicago City Datum;

(2) Lying below and extending downward from an inclined plane which intersects the vertical projection of the Easternmost line of said part of the land at an elevation of 5.56 feet above Chicago City Datum, and which intersects a horizontal plane having a elevation of 5.25 feet above Chicago City Datum at a distance of 5.50 feet Westerly from said vertical projection of the Easternmost line of said part of the land.

(3) Lying below and extending downward from the aforesaid plane 5.25 feet above Chicago City Datum, as said plane extends Westward from lower end of the aforesaid inclined plane;

(B) Easement for fire hydrant in that part of the land described as commencing at a point on the West line of the land, 320.77 feet South of, measured along said West line of the Northward extension thereof, the North West corner of Block 2 in Kinzie's Addition to Chicago, and running thence South 89 degrees, 50 minutes, 20 seconds East, 126.78 feet, and thence North 0 degrees, 09 minutes, 40 seconds East, 1.50 feet to the point of beginning at the most Westerly corner of said easement; thence North 70 degrees, 46 minutes, 40 seconds East, 6.90 feet; thence South 20 degrees, 54 minutes, 20 seconds East, 4.06 feet; thence South 73 degrees, 21 minutes, 40 seconds West, 5.19 feet; thence North 0 degrees, 09 minutes, 40 second East, 3.00 feet; thence North 89 degrees, 50 minutes, 20 seconds West, 3.00 feet to the point of beginning;

(1) Lying above and extending upward from a horizontal plane having an elevation of 5.25 feet above Chicago City Datum;

(2) Lying below and extending downward from a horizontal plane having an elevation of 30.83 feet above Chicago City Datum;

and the covenants, conditions and agreements contained in said instrument recorded as Document 23235534.

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2. The Southwesterly corner of a concrete foundation located mainly on property East of and adjoining the land encroaches over the Easterly boundary of the land by 0.04 of a foot at the South end of the 119.64 foot course of said Easterly boundary, as shown on survey by Chicago Guarantee Survey Company, dated August 20, 1987, Order No. 8707025B.
3. A concrete foundation of the bridge structure located mainly on property East of and adjoining the land encroaches over most of the 4.25 foot course of the Easterly boundary of the land by 0.02 of a foot, and encroaches over the 68.58 foot course of said Easterly boundary by 0.02 of a foot at the North end of said course, as shown on survey by Chicago Guarantee Survey Company, dated August 20, 1987, Order No. 8707025B.
4. Concrete dock along the Southernmost line of the land encroaches over said Southernmost line by 0.25 of a foot at the Easterly terminus of said line and by decreasing amounts in a Westerly direction along said Southernmost line, as shown on a survey by Chicago Guarantee Survey Company dated August 20, 1987, Order No. 8707025B.
5. Possible rights of the City of Chicago or any public or quasi-public utility; with respect to the following facilities:
 - (A) Water shutoff valve near the Southeasternmost corner of the land;
 - (B) Metal doors to river water valves near the Southernmost corner of the landas shown on a survey by Chicago Guarantee Survey company, dated August 20, 1987, Order No. 8707025B.
6. Mortgage dated July 2, 1986 and recorded July 2, 1986 as Document 86273222, made by CST Acquisition Company, a Delaware corporation, to Citicorp Industrial Credit, Inc., individually and as Agent for Citibank, N. A., and Citibank International-Atlanta, to secure a Guaranty and Financing Agreement not to exceed \$75,000,000.00.
7. Assignment of Rents dated July 2, 1986 and recorded July 2, 1986 as Document 86273223, made by CST Acquisition Company, a Delaware corporation, to Citicorp Industrial Credit, Inc., individually and as Agent for Citibank, N. A., and Citibank International-Atlanta, a Delaware corporation.
8. Assignment of Leases dated July 2, 1986 and recorded July 2, 1986 as Document 86273224, made by CST Acquisition Company, a Delaware corporation, to Citicorp Industrial Credit, Inc., individually and as Agent for Citibank, N. A., and Citibank International-Atlanta, a Delaware corporation.
9. Security Interest of Citicorp Industrial Credit, Inc., for itself and as Agent, secured party, in certain described chattels on the land, as disclosed by Financing Statement executed by CST Acquisition Company, debtor, and filed on July 2, 1986 as No. 86U17476.
10. Security Interest of Citicorp Industrial Credit, Inc., for itself and as Agent, secured party, in certain described chattels on the land, as disclosed by Financing Statement executed by Chicago Sun-Times, Inc., debtor, and filed on July 2, 1986 as No. 86U17477.

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11. Consequences of an attack on the estate or interest insured in Schedule A under Federal Bankruptcy Code Section 544, to the extent said Section 544 incorporates state fraudulent conveyance law, which consequences may include the subordination of the claim or lien of such mortgage to other claims or interests under Section 510(c) of the federal Bankruptcy Code.

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