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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") is made as of September 15, 1989 by and among AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee under a Land Trust Agreement dated November 8, 1978 and known as Trust No. 45170 (the "Land Trust"), I-90 Company, an Illinois limited partnership (the "Beneficiary") (Land Trust and Beneficiary are herein each individually called a "Mortgagor" and together called "Mortgagors"), being the sole beneficiary of the Land Trust and The Exchange National Bank of Chicago, as Trustee under the Indenture of Trust (the "Indenture") from the Mortgagors of even date herewith, as mortgagee, together with its successors and assigns (the "Mortgagee").

WHEREAS, simultaneously herewith, Beneficiary shall be issuing those certain \$11,600,000 I-90 Company First Mortgage Revenue Bonds Radisson Hotel Series 1989 in the original principal amount of \$11,600,000 (the "Bonds") pursuant to a Private Placement Memorandum of even date herewith, which Bonds are to be secured by the Indenture; and

EXHIBIT A

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PARCEL 1:

LOT 1 IN ARLINGTON HEIGHTS PLACE SUBDIVISION, BEING A SUBDIVISION IN SECTION 16, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED AS DOCUMENT NO. 25261219 AND FILED AS DOCUMENT NO. LR3133810 IN COOK COUNTY, ILLINOIS.

PARCEL 2:

RECIPROCAL EASEMENTS FOR INGRESS AND EGRESS AS CREATED BY THAT CERTAIN AGREEMENT DATED AUGUST 2, 1979 AND RECORDED WITH THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS ON OCTOBER 1, 1979 AS DOCUMENT NO. 25171074 AND FILED WITH THE REGISTRAR OF TITLES ON OCTOBER 1, 1979 AS DOCUMENT NO. LR3121973, AND AMENDED BY FIRST AMENDMENT TO RECIPROCAL EASEMENT AGREEMENT DATED JANUARY 27, 1981 AND RECORDED WITH THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, ON JUNE 4, 1981, AS DOCUMENT NO. 25893428 AND FILED WITH THE REGISTRAR OF TITLES ON JUNE 4, 1981 AS DOCUMENT NO. LR3216008, PERTAINING TO THE FOLLOWING PARCELS OF LAND:

PARCEL A: LOT 1 IN ARLINGTON PLACE SUBDIVISION, BEING A SUBDIVISION IN SECTION 16, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL B: LOT 2 IN ARLINGTON PLACE SUBDIVISION, BEING A SUBDIVISION IN SECTION 16, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL C: LOT 3 IN ARLINGTON PLACE SUBDIVISION, BEING A SUBDIVISION IN SECTION 16, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL D: LOT 2 IN CARL M. TEUTSCH SUBDIVISION OF PART OF THE EAST HALF OF SECTION 16, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

EASEMENT FOR CREATION AND MAINTENANCE OF A DETENTION/RETENTION POND CREATED BY THAT CERTAIN AGREEMENT DATED DECEMBER 1, 1979 AND RECORDED WITH THE RECORDER OF DEED OF COOK COUNTY, ILLINOIS, ON JANUARY 4, 1980 AS DOCUMENT NO. 25306989 AND FILED WITH THE REGISTRAR OF TITLES ON JANUARY 4, 1980 AS DOCUMENT NO. LR 3139276 AND AMENDED BY DOCUMENT NO. 26527048 AND FILED AS DOCUMENT NO. LR 3296792 PERTAINING TO LOTS 1, 2 AND 3 AND DESCRIBED AS EASEMENT PARCELS A, B AND C, IN ARLINGTON PLACE SUBDIVISION, BEING A SUBDIVISION IN SECTION 16, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

75 W. Algouin Rd. Arlington Heights, IL

P.I.N. 08-16-200-101

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NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by Mortgagors, and in consideration of the foregoing recitals, which shall be construed as parts hereof for all purposes, and all other sums provided for in the Note and the Bonds, and any extensions or renewals thereof, and for payment and performance of the agreements, conditions, covenants, provisions and stipulations contained herein and in the Note, the Bonds, the Indenture, and in any other agreements and instruments made and given by either Mortgagor to the Mortgagee in connection therewith, Mortgagors do hereby bargain, sell, convey, mortgage, assign, transfer and grant a security interest in and pledge unto Mortgagee, and unto its successors in trust and its assigns forever, all of Mortgagors' estate, right, title and interest in, to and under that certain land located in Cook County, Illinois, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Land"):

WHEREAS, this Mortgage is being granted as security for the repayment of the Note and the Bonds.

WHEREAS, in order to provide the Mortgagee, as trustee under the Indenture, with funds to pay the principal and interest on those Bonds as they become due, the Land Trust has executed and delivered to the Mortgagee (as trustee under the Indenture) that certain Mortgage Note of even date herewith (the "Note") in the principal amount of \$11,600,000, and

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TOGETHER with all of Mortgagors' estate, right, title and interest in, to and under all buildings, structures, improvements and fixtures now existing or hereafter erected on the Land and all right, title and interest, if any, of either Mortgagor in and to the streets and roads, opened or proposed, abutting the Land to the center lines thereof, and strips within or adjoining the Land, the air space and right to use said air space above the Land, all rights of ingress and egress on or within the Land, all easements, rights and appurtenances thereto or used in connection with the Land, including, without limitation, air lateral support, alley and drainage rights, all revenues, income, rents, cash or security deposits, advance rental deposits, and other benefits thereof or arising from the use or enjoyment of all or any portion thereof (subject however to the rights and authorities given herein to Mortgagors to collect and apply such revenues, and other benefits), all interests in and rights, royalties and profits in connection with all minerals, oil and gas and other hydrocarbon substances thereon or therein, and water stock, all options to purchase or lease, all development or other rights relating to the Land or the operation thereof, or used in connection therewith, including all of Mortgagors' right, title and interest in all fixtures, attachments, partitions, machinery, equipment, building materials, appliances and goods of every nature whatever now or hereafter located on, or attached to, the Land, all of which, including replacements and additions thereto, shall, to the fullest extent permitted by law and for the purposes of this Mortgage, be deemed to be real property and, whether affixed or annexed thereto or not, be deemed conclusively to be real property; and each Mortgagor agrees to execute and deliver, from time to time, such further instruments and documents as may be required by Mortgagee to confirm the legal operation and effect of this Mortgage on any of the foregoing (all of the foregoing property referred to in this paragraph as the "Improvements");

TOGETHER with all of Mortgagors' right, title and interest in the following:

(a) All equipment, fixtures, inventory, goods, instruments, appliances, furnishings, machinery, tools, raw materials, component parts, work in progress and materials, and all other tangible personal property of whatsoever kind, used or consumed in the improvement, use or enjoyment of the Land now or any time hereafter owned or acquired by either Mortgagor, wherever located and all products thereof whether in possession of Mortgagors or whether located on the Land or elsewhere (the "Equipment");

(b) To the extent such general intangibles are assignable, all general intangibles relating to design, development, operation, management and use of the Land and the Improvements, including, but not limited to, (i) all trademarks and trade names under which or by which the Land and the Improvements may at any

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time be owned and operated or any variant thereof, and all goodwill in any way relating to the Land and the Improvements, (ii) all permits, licenses, authorizations, variances, land use entitlements, approvals, consents, clearances, and rights obtained from governmental agencies issued or obtained in connection with the Land and the Improvements, (iii) all permits, licenses, approvals, consents, authorizations, franchises and agreements issued or obtained in connection with the use, occupation or operation of the Land and the Improvements, (iv) all materials prepared for filing or filed with any governmental agency, and (v) any other intangible property owned by either Mortgagor and related to the use, occupation or operation of the Land and the Improvements;

(c) All accounts, deposit accounts, accounts receivable, instruments, documents, documents of title, general intangibles, rights to payment of every kind, all of either Mortgagors' rights, direct or indirect, under or pursuant to any and all construction, development, financing, guaranty, indemnity, maintenance, management, service, supply and warranty agreements, commitments, contracts, subcontracts, insurance policies, licenses and bonds now or anytime hereafter arising from construction on the Land or the use or enjoyment of the Land and the Improvements;

TOGETHER with all additions to, substitutions for the products thereof, and all proceeds, whether cash proceeds or noncash proceeds, and including insurance and condemnation proceeds, received when any such property (or the proceeds thereof) is sold, exchanged, leased, licensed, or otherwise disposed of, whether voluntarily or involuntarily. Such proceeds shall include any of the foregoing specifically described property of Mortgagors acquired with cash proceeds. Together with, and without limiting the above items, all Goods, Accounts, Documents, Instruments, Money, Chattel Paper and General Intangibles located on the Land, as those terms are defined in the Uniform Commercial Code from time to time in effect in the state in which the Land is located. (All of the foregoing property in (a) - (c) and this paragraph, including such products and proceeds thereof, is herein collectively referred to as "Collateral".)

The Land, the Improvements and the Collateral are collectively referred to as the "Mortgaged Property". Each Mortgagor makes the foregoing grant of a security interest for the purpose and upon the terms and conditions hereinafter set forth.

Each Mortgagor represents and agrees that there is no financing statement covering the Mortgaged Property, or any part thereof, on file in any public office.

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Each Mortgagor hereby covenants with Mortgagee that Mortgagors are seized with title to said Mortgaged Property; that Mortgagors have full power and authority to mortgage the same; that it shall be lawful for Mortgagee at any time hereafter peaceably and quietly to enter upon, have, hold and enjoy said Mortgaged Property and every part thereof; that said Mortgaged Property is free and discharged from all liens, encumbrances and claims of every kind, including all taxes and assessments, except for taxes and assessments not due and payable, governmental regulations and those exceptions to title listed on Exhibit B attached hereto and incorporated herein by this reference (the "Permitted Exceptions"); that each Mortgagor will, at his own expense, make, execute and deliver such other and further instruments and assurances as may be requested by Mortgagee to vest in Mortgagee a valid unsubordinated first mortgage lien to said Mortgaged Property; and that Mortgagor and its successors and assigns shall defend the title to said Mortgaged Property against the lawful claims and demands of all persons whomsoever.

PROVIDED ALWAYS, THAT THIS CONVEYANCE IS MADE FOR THE PURPOSE OF SECURING, IN SUCH ORDER OF PRIORITY AS MORTGAGEE MAY ELECT:

(a) The repayment of the indebtedness evidenced by the Bonds, which indebtedness is further evidenced by the Note with interest thereon, as provided therein and all late charges, loan fees, commitment fees, and all extensions, renewals, modifications, amendments and replacements thereof;

(b) The payment of all other sums which may be advanced by or otherwise be due to Mortgagee under any provision of this Mortgage or under any other instrument or document referred to in clause (c) below, with interest thereon at the rate provided herein or therein;

(c) The performance of each and every covenant and agreement of each Mortgagor contained (i) herein, in the Note, or in any note evidencing a Future Advance (as hereinafter defined), and (ii) in the obligations of each Mortgagor upon any and all pledge or other security agreements, loan agreements, supplemental agreements, assignments (both present and collateral) and all instruments of indebtedness or security now or hereafter executed by Mortgagors in connection with any indebtedness referred to in clauses (a), (b) or (d) of this paragraph or for the purpose of supplementing or amending this Mortgage or any instrument secured hereby; and

(d) The repayment of any other loans or advances, with interest thereon, hereafter made to either of the Mortgagors (or any successor in interest to either Mortgagor as the owner of the Mortgaged Property or any part thereof but not as to Mortgagors or Guarantor after the conveyance of the Mortgaged Property as

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may be permitted hereunder) by Mortgagee when the promissory note evidencing the loan or advance specifically states that said note is secured by this Mortgage, together with all extensions, renewals, modifications, amendments and replacements thereof (herein "Future Advance").

PROVIDED ALWAYS, and these presents are upon these express conditions, that if Mortgagors shall promptly pay to Mortgagee all sums due and owing under the Bonds, the Note and this Mortgage and shall faithfully and promptly comply with and perform each and every covenant and provision herein and in the Note on the part of Mortgagors to be complied with, then these presents shall be void.

And until full payment and performance thereof, or any extensions or renewals thereof, if any, in whole or in part, and payment of all other indebtedness or liability that may become due or owing hereunder and secured hereby, Mortgagors shall faithfully and promptly comply with and perform each and every other covenant and provision herein on the part of Mortgagors to be complied with and performed.

Each Mortgagor does hereby further agree and covenant with Mortgagee as follows:

ARTICLE I

PAYMENTS, TAXES, INSURANCE, MAINTENANCE, SUBSTITUTIONS, REMOVALS, LIENS, DAMAGE AND DESTRUCTION, CONDEMNATION, EXPENSES OF MORTGAGEE, ACCELERATION, MANAGEMENT, PERFORMANCE

Section 1.1. Note. Land Trust shall make all payments when due under the Note, the principal of and interest on any Future Advance and shall perform and comply with all covenants, agreements, conditions, provisions, stipulations and obligations set forth therein on its part to be performed, at the times and in the manner required thereby.

Section 1.2. Taxes and Other Charges. Mortgagors shall pay or cause to be paid before interest or penalties are due thereon, without any deduction, defalcation or abatement, all taxes, assessments, water and sewer rents, charges and claims which may be assessed, levied, or filed at any time against either Mortgagor, the Mortgaged Property or any part thereof (including without limitation any taxes levied upon or with respect to the revenues, income or profit of either Mortgagor from the Mortgaged Property) or against the interest of Mortgagee therein, or which by any present or future law may become or be made a lien on the Mortgaged Property, or any part thereof, or a charge on such revenues, income or profits; and Mortgagors shall produce to Mortgagee as soon as available receipts for the payment thereof; and provided further, that if either Mortgagor in good faith and

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by appropriate legal action shall contest the validity of any such item, or the amount thereof, and shall have established on its books and by deposit with Mortgagee of a letter of credit or bond in an amount satisfactory to Mortgagee, as Mortgagee may elect, or by delivering to the Mortgagee an endorsement to the title insurance policy insuring over the lien, the amount required for the payment thereof, then Mortgagors shall not be required to pay the item or to produce the required receipts while the amount is maintained and so long as the contest operates to prevent collection, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Mortgagors. Notwithstanding the foregoing, if Mortgagee notifies Mortgagors that, in the opinion of counsel selected by Mortgagee, by nonpayment of any such item the lien of this Mortgage as to any part of the Mortgaged Property will be materially affected or the Mortgaged Property or any part thereof will be subject to imminent loss or forfeiture, Mortgagors shall promptly pay such item. Notwithstanding anything to the contrary herein, as security for the payment of real estate taxes, regular or special assessments and insurance premiums, 1/12 of the annual amounts of such items as estimated by Mortgagee shall be required to be deposited in escrow with Mortgagee with each monthly payment on the Note. At Mortgagors' election, and so long as there is no default hereunder, interest may be payable on a semi-annual basis to Mortgagors on account of such escrowed funds. It is expressly agreed that no credit shall be claimed or allowed on the interest payable on the Note because of any taxes or other charges paid. Mortgagors shall not be liable for any income or franchise taxes levied against the Mortgagee.

Section 1.3. Insurance. For all times during the period there remains any indebtedness under the Note, or any and all other indebtedness secured by this Mortgage, Mortgagors shall keep the Mortgaged Property insured against all risks or hazards as Mortgagee may require. Such insurance shall include, but not be limited to:

- (i) Fire and extended coverage property damage insurance, including, but not limited to all risk and earthquake insurance, in an amount equal to the full replacement value of the Improvements, without deducting for depreciation, containing a waiver of subrogation clause and a deductible amount acceptable to Mortgagee. All losses under said insurance shall be payable to Mortgagee and shall be applied in the manner provided in Section 1.7 hereof. All policies for said insurance shall be endorsed with a standard non-contributory Mortgagee clause in favor of and in form acceptable to Mortgagee;
- (ii) Public liability insurance, in such form, amount and deductible satisfactory to Mortgagee, and naming

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Mortgagee under a standard non-contributory Mortgagee clause or as an additional insured covering Mortgagee's interest in the Mortgaged Property;

- (iii) Business interruption and rent loss insurance in an amount at least equal to 100% of the annual debt service on the Bonds, the annual debt service on any other financing permitted by Mortgagee, ground rents, if any, plus necessary operating expenses for the Mortgaged Property for a period of twelve (12) months. Business interruption and rent loss insurance shall contain a standard non-contributory Mortgagee clause in favor of and in form acceptable to Mortgagee;
- (iv) Flood insurance required by and obtainable through the National Flood Insurance Program sufficient to cover any damage which may be anticipated in the event of flood unless Mortgagors have provided Mortgagee evidence satisfactory to Mortgagee that no portion of the Mortgaged Property is located within the boundaries of the 100-year flood plain; and
- (v) "Dram shop" insurance if alcoholic beverages are sold on the Mortgaged Property.

All policies of insurance required under this Section 1.3 shall be with a company or companies with a policy rating of A+ and financial rating of at least Class X in the most current edition of Best's Insurance Reports and authorized to do business in the state in which the Mortgaged Property is located or such other companies as may be approved in writing by Mortgagee. All policies of insurance shall not be cancelled or modified without 30 days' prior written notice to Mortgagee. True copies of the above mentioned insurance policies or certificates of such insurance satisfactory to Mortgagee shall be delivered to and held by Mortgagee. True copies of all renewal and replacement policies shall be delivered to Mortgagee at least thirty (30) days before the expiration of the expiring policies. If any renewal or replacement policy is not obtained as required herein, Mortgagee is authorized to obtain the same in Mortgagors' names and at Mortgagors' expense. Mortgagee shall not, by the fact of failing to obtain any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of insurance contracts, solvency of insurance companies, or payment or defense of lawsuits, and Mortgagors hereby expressly assume full responsibility therefor and all liability, if any, with respect thereto.

Section 1.4. Maintenance of Mortgaged Property. Mortgagors shall keep and maintain or cause to be kept and maintained the Mortgaged Property and the sidewalks and curbs abutting same, in good order and condition (including operating condition) and in

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rentable and tenantable 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, ordinary and extraordinary, foreseen and unforeseen. Mortgagors shall abstain from and shall not permit the commission of waste in, on or about the Mortgaged Property; and shall not permit the Mortgaged Property to become abandoned, deserted or unguarded.

Mortgagee and its agents, representatives and contractors shall have the right to enter upon the Mortgaged Property at any reasonable business hour for the purpose of inspecting the order, condition and repair of the Mortgaged Property.

So long as there is continued compliance with applicable laws and regulations of governmental jurisdictions, Mortgagors shall have the right to remodel the Mortgaged Property or make additions, modifications and improvements thereto, from time to time as it, in its discretion, may deem to be desirable for its uses and purposes, the cost of which remodeling, additions, modifications and improvements shall be paid by Mortgagors, and the same shall, when made, become a part of the Mortgaged Property; provided, however, that (a) Mortgagors shall give notice to but shall not be required to obtain Mortgagee's prior consent for remodeling, additions, modifications or improvements, the aggregate cost of which is \$100,000.00 or less in any calendar year (or \$50,000 or less through the remainder of 1989), but shall obtain Mortgagee's prior consent for remodeling, additions, modifications or improvements if the cost exceeds \$100,000.00 in any calendar year (or exceeds \$50,000.00 through the remainder of 1989), and (b) regardless of the cost thereof, prior to commencement of any remodeling, additions, modifications or improvements, which are structural in nature or affect a structural portion of the building, Mortgagors shall provide to Mortgagee a certificate of an engineer reasonably acceptable to Mortgagee that the structural integrity or strength of the Mortgaged Property or the use of the Mortgaged Property will not be adversely affected thereby. No such remodeling, addition, modification or improvement of the Mortgaged Property shall adversely affect the value of the Mortgaged Property.

Section 1.5. Substitutions for and Removals of Portions of the Mortgaged Property. Mortgagors shall have the right from time to time to substitute fixtures for any portions of the Mortgaged Property, provided that the fixtures so substituted shall not impair the character of the Mortgaged Property and shall not impair the value of the Mortgaged Property. Any such substituted fixtures shall become part of the Mortgaged Property. Personal property, trade fixtures and equipment installed and owned by any tenant of the Mortgaged Property shall not become part of the Mortgaged Property.

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Mortgagors shall also have the right to remove any personal property portions of the Mortgaged Property, without substitution therefor, from the Mortgaged Property and from service in Mortgagors' business, in any instance where either Mortgagor determines, in its reasonable discretion, that such property has become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary, whereupon such removed property shall no longer be subject to this Mortgage. No such removal will be made which would impair the character of the Mortgaged Property.

Section 1.6. Mechanics' and Other Liens. Mortgagors shall not suffer or permit any mechanics' liens to be filed or exist against the Mortgaged Property, by reason of work, labor, services or materials supplied or claimed to have been supplied to Mortgagors or anyone holding the Mortgaged Property or any part thereof through or under either Mortgagor. If any such mechanics' liens shall at any time be filed, Mortgagors shall promptly discharge any mechanics', laborers', materialmen's or similar or other lien, charge, attachment, or lis pendens filed or recorded which relates to the Mortgaged Property. Mortgagors may contest any mechanic's or like lien or claim until the entry of a final judgment or decree affirming the validity of said lien or claim or until the Mortgaged Property or any part thereof becomes subject to sale on account of such lien or claim, whichever first shall occur, provided that the Mortgagors first deposit with Mortgagee funds (or other security acceptable to Mortgagee including a letter of credit or bond in an amount satisfactory to Mortgagee, as Mortgagee may elect, or an endorsement to the title insurance policy insuring over the lien) which, in the opinion of Mortgagee, are adequate to pay and discharge in full said lien or claim.

Section 1.7. Damage and Destruction.

(a) In the case of any act or occurrence of any kind or nature which results in damage, loss or destruction to the Mortgaged Property (a "Casualty"), Mortgagors shall immediately notify Mortgagee in writing describing the nature and the extent of the Casualty, as the case may be. Following any Casualty, Mortgagee shall have the right to obtain an opinion of an independent contractor, engineer and/or architect (the "Approving Engineer") satisfactory to Mortgagee, at Mortgagors' expense, to estimate the cost to restore the remaining portion of the Mortgaged Property and the restoration cost determined by Mortgagee shall be binding on the parties for purposes of paragraphs (b)-(e) below.

(b) In the case of a Casualty resulting in an estimated restoration cost that is \$250,000 or less, Mortgagors may negotiate with the insurance carrier without

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the participation of the Mortgagee but shall keep Mortgagee advised as to the status of the negotiations; provided, however, Mortgagors are obligated, after a reasonable time, to reach settlement with the insurance carrier and to restore, repair, replace and rebuild the Mortgaged Property as nearly as possible to its quality, utility, value, condition and character immediately prior to the Casualty (the "Prior Condition"). Notwithstanding anything to the contrary, in the case of a Casualty resulting in an estimated restoration cost that is \$250,000 or less, Mortgagors shall within a reasonable period of time not to exceed 180 days from the date of the Casualty (at Mortgagors' sole cost and expense and regardless of whether the Net Proceeds (as defined below), if any, shall be sufficient for the purpose) restore, repair, replace and rebuild the Mortgaged Property to its Prior Condition upon the terms and conditions set forth in paragraph (f) below. All Net Proceeds shall be made available to Mortgagors for application thereto. "Net Proceeds" means, as to any insurance proceeds, the amount remaining after deducting therefrom all reasonable and necessary expenses (including reasonable attorneys' fees and expenses of Mortgagee) incurred in the collection of such proceeds, plus any interest earned on the investment thereof.

(c) In the case of a Casualty resulting in an estimated restoration cost that exceeds \$250,000 but is less than \$1,000,000, the Mortgagee may participate with Mortgagors in the negotiation and settlement of claims with Mortgagors' insurance carrier and no settlement may be made without the written consent of Mortgagee. In the case of such a Casualty, Mortgagors shall within a reasonable period of time not to exceed 180 days from the date of the Casualty (at Mortgagors' sole cost and expense and regardless of whether the Net Proceeds, if any, shall be sufficient for the purpose) restore, repair, replace and rebuild the Mortgaged Property to its Prior Condition upon the terms and conditions set forth in paragraph (f) below. All Net Proceeds shall be made available to Mortgagors for application thereto.

(d) In the case of a Casualty resulting in an estimated restoration cost that is \$1,000,000 or more but is less than \$9,000,000, then (a) the Mortgagee may participate with Mortgagors in the negotiation and settlement of claims with Mortgagor's insurance carrier and no settlement may be made without the written consent of Mortgagee, and (b) provided that, in the opinion of the Approving Engineer, the Mortgaged Property can be restored to its Prior Condition within 180 days from the date of the Casualty, the Net Proceeds, if any, shall be applied to the repair, replacement or rebuilding of the Mortgaged Property to its

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Prior Condition upon the terms and conditions set forth in paragraph (f) below. If the Mortgagee determines that the Mortgaged Property cannot be restored within said 180 day period, the Net Proceeds shall be applied at the Mortgagee's option to either (1) the redemption of Bonds (without premium), or (2) the repair, replacement or rebuilding by Mortgagors of the Mortgaged Property to its Prior Condition upon the terms and conditions set forth in paragraph (f) below.

(e) In the case of a Casualty resulting in an estimated restoration cost that is \$9,000,000 or more, the Mortgagee may participate with Mortgagors in the negotiation and settlement of claims with Mortgagors' insurance carrier but no settlement may be made without the written consent of Mortgagee, and the Net Proceeds shall be applied at the Mortgagee's option to either (1) the redemption of Bonds (without premium), in whole or in part, or (2) the repair, replacement or rebuilding by Mortgagors of the Mortgaged Property to its Prior Condition upon the terms and conditions set forth in paragraph (f) below.

(f) If, pursuant to the provisions of paragraph (b), (c), (d) or (e) above, the Net Proceeds are to be applied to the repair, replacement or rebuilding of the Mortgaged Property, the Net Proceeds shall be deposited into an insurance escrow fund under an escrow agreement (the "Escrow Agreement") with an escrow agent satisfactory to Mortgagee (the "Insurance Escrow Agent"). The escrowed funds shall be released by the Insurance Escrow Agent only to pay the costs and expenses to restore the Mortgaged Property, subject to a disbursement agent satisfactory to Mortgagee approving said disbursements from time to time. The Escrow Agreement shall provide that the Insurance Escrow Agent shall not disburse funds to Mortgagors unless and until (i) the Approving Engineer has approved the plans and specifications for the restoration of the Mortgaged Property; (ii) Mortgagors have executed a contract with a general contractor acceptable to Mortgagee for the restoration of the Mortgaged Property; (iii) the general contractor has submitted lien waivers and affidavits, executed by the general contractor and all subcontractors, including general contractor's and owner's sworn statements; (iv) Mortgagors have furnished Mortgagee with an endorsement to its loan policy showing no exceptions other than the Permitted Exceptions; (v) the Approving Engineer has submitted an executed certificate to the effect that the applicable phase or phases of the Mortgaged Property have been properly completed in accordance with the plans and specifications and that the applicable phase or phases of the Mortgaged Property have been completed in compliance with all laws, statutes, ordinances, rules, regulations and requirements of duly constituted public

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authorities which may be applicable to the Mortgaged Property, or to the use, manner of use or operation of the Mortgaged Property; and (vi) Mortgagors have submitted such other documents and information as may be requested by Mortgagee to determine that the work to be paid for has been performed in accordance with the plans and specifications approved by the Approving Engineer. If, based on the Approving Engineer's opinion, subject to revision from time to time as restorations are made, the Net Proceeds are not sufficient to restore the Mortgaged Property to its Prior Condition, Mortgagors shall be obligated upon demand of Mortgagee to deposit into the insurance escrow fund (a) cash in an amount equal to the difference between the Approving Engineer's most current estimate and the remaining amount of the Net Proceeds, (b) an irrevocable, unconditional letter of credit in an amount equal to such difference and in form and issued by a financial institution acceptable to Mortgagee and having an expiry date not less than twelve (12) months from the date of issuance, or (c) other cash equivalent acceptable to Mortgagee. If Mortgagors deposit a letter of credit and Mortgagee or the Approving Engineer reasonably determines during the sixty (60) day period prior to the expiry of the letter of credit that the restoration of the Mortgaged Property may not be completed prior to the expiry date, upon written notice from Mortgagee to Mortgagors, Mortgagors shall cause the issuer of the letter of credit to renew said letter of credit (or issue a new letter of credit) on the same terms as previously issued. If Mortgagors fail to renew the letter of credit or deposit a new letter of credit as aforesaid by the earlier of (a) five (5) days before the expiry of the original letter of credit or (b) five (5) days after receipt of the written notice from Mortgagee, Mortgagee may draw on the original letter of credit, which sum shall be deposited into the insurance escrow fund. If any requisition for payment of work performed is for an amount in excess of the sum then remaining in the insurance escrow fund, Mortgagors shall immediately deposit the requisite amount in cash to the insurance escrow fund, failing which Mortgagee may draw upon any letter of credit then being held in the escrow and deposit the proceeds in the insurance escrow fund. The cost of such escrow and the services of any independent contractors, engineers or architects retained by Mortgagee shall be paid by Mortgagors. Mortgagors shall diligently and continuously restore the Mortgaged Property to its Prior Condition within the period of time set forth hereinabove and, in the case of a Casualty described in paragraph (d) or (e), within twelve (12) months from the date of the Casualty, and if Mortgagors fail to act as aforesaid or if restoration is not "Substantially Completed" within said period, such failure shall be deemed an Event of Default hereunder. For purposes of this Mortgage, the term

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"Substantial Completion" shall mean the stage of progress of the renovation and refurbishing work when the Mortgaged Property has been sufficiently completed in accordance with the plans and specifications so that the improvements can be utilized for their intended purposes, all as certified by the Approving Engineer.

If an Event of Default (as hereinafter defined) exists at the time of a Casualty to the Mortgaged Property or at the time of payment of any Net Proceeds, all Net Proceeds shall be paid over either by the insurance carrier directly to Mortgagee and shall be applied first toward reimbursement of the costs and expenses of Mortgagee, if any, in connection with the recovery of said Net Proceeds, and then shall be applied in the sole and absolute discretion of Mortgagee and without regard to the adequacy of its security under the Mortgage (i) to the payment of the Note and/or the Bonds; (ii) to the reimbursement of expenses incurred by Mortgagee in connection with the restoration of the Mortgaged Property; (iii) to the performance of any of the covenants contained in the Indenture or in this Mortgage as Mortgagee may determine; and/or (iv) to restore the Mortgaged Property in accordance with the Escrow Agreement. In any case in which Net Proceeds are applied to restore the Mortgaged Property, the amount released for said purpose shall not be deemed a payment of any portion of the unpaid balance of the Note.

Any Net Proceeds remaining in the insurance escrow fund after restoration of the Mortgaged Property pursuant to the plans and specifications shall be paid to Mortgagors if the Mortgagors are not then in default under this Mortgage. If, however, Mortgagors are in default under this Mortgage, after payment of the costs to complete the restoration of the Mortgaged Property, the amount remaining in the insurance escrow fund will be applied to the payment of all or any principal and interest due under the Note.

Section 1.8. Condemnation Proceeds. Upon obtaining knowledge of the commencement or threat of any action in connection with (i) any condemnation or other taking ("Condemnation") of the Mortgaged Property or any part thereof or (ii) any conveyance in lieu of condemnation ("Taking") of the Mortgaged Property or any part thereof, Mortgagors shall immediately notify Mortgagee no more than ten (10) days after either Mortgagor obtains knowledge of the commencement of or threat of a Condemnation or Taking. Mortgagee shall have the right, but not the obligation, to participate in any proceedings relating to any Condemnation or Taking and may, in its good faith discretion, consent or withhold its consent to any settlement, adjustment, or compromise of any claims arising from the Condemnation or Taking and no such settlement, adjustment or compromise shall be final or binding upon Mortgagee without Mortgagee's prior consent.

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If all or part of the Mortgaged Property is taken by Condemnation or a Taking, and Mortgagee in its sole judgment determines that the remainder of the Mortgaged Property, if any, cannot be operated as an economically viable entity at substantially the same level of operations as immediately prior to such Condemnation or Taking, then all proceeds of the Condemnation or Taking ("Condemnation Proceeds") shall be paid over to Mortgagee and shall be applied first toward reimbursement of the costs and expenses of Mortgagee, if any, in connection with the recovery of such proceeds, and then shall be applied in the sole and absolute discretion of Mortgagee and without regard to the adequacy of its security under this Mortgage: (i) to the payment of all or any portion of the Note and/or the Bonds, and/or (ii) to the performance of any of the covenants contained in the Indenture or in this Mortgage as Mortgagee may determine, and/or (iii) to be released to the Mortgagors.

If less than all of the Mortgaged Property is taken by Condemnation or a Taking, and Mortgagee in its sole judgment determines that the remainder of the Mortgaged Property can be operated as an economically viable entity at substantially the same level of operations as immediately prior to such Condemnation or Taking, then all Condemnation Proceeds shall be deposited into a condemnation escrow fund under an escrow agreement (the "Condemnation Escrow Agreement") and with an escrow agent satisfactory to Mortgagee (the "Condemnation Escrow Agent") and Mortgagors shall restore, repair, replace and rebuild the Mortgaged Property to its Prior Condition. Mortgagee shall have the right to obtain an opinion of an Approving Engineer at Mortgagors' expense, to estimate the cost to restore the remaining portion of the Mortgaged Property. The escrowed funds shall be released by the Condemnation Escrow Agent only to pay the costs and expenses to restore the Mortgaged Property, subject to a disbursement agent satisfactory to Mortgagee approving said disbursements from time to time. The Condemnation Escrow Agreement shall provide that the Condemnation Escrow Agent shall not disburse funds to Mortgagors unless and until (i) the Approving Engineer has approved the plans and specifications for the restoration of the Mortgaged Property; (ii) Mortgagors have executed a contract with a general contractor acceptable to Mortgagee for the restoration of the Mortgaged Property; (iii) the general contractor has submitted lien waivers and affidavits, executed by the general contractor and all subcontractors, including general contractor's and owner's sworn statements; (iv) Mortgagors have furnished Mortgagee with an endorsement to its loan policy showing no exceptions other than the Permitted Exceptions; (v) the Approving Engineer has submitted an executed certificate to the effect that the applicable phase or phases of the Mortgaged Property have been properly completed in accordance with the plans and specifications and that the applicable phase or phases of the

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Mortgaged Property have been completed in compliance with all laws, statutes, ordinances, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Mortgaged Property, or to the use, manner of use or operation of the Mortgaged Property; and (vi) Mortgagors have submitted such other documents and information as may be requested by Mortgagee to determine that the work to be paid for has been performed in accordance with the plans and specifications approved by the Approving Engineer. If, based on the Approving Engineer's opinion, subject to revision from time to time as restorations are made, the Condemnation Proceeds are not sufficient to restore the Mortgaged Property to its Prior Condition, Mortgagors shall be obligated upon demand of Mortgagee to deposit into the condemnation escrow fund (a) cash in an amount equal to the difference between the Approving Engineer's most current estimate and the remaining amount of the Condemnation Proceeds, (b) an irrevocable, unconditional letter of credit in an amount equal to such difference and in form and issued by a financial institution acceptable to Mortgagee and having an expiry date not less than twelve (12) months from the date of issuance, or (c) other cash equivalent acceptable to Mortgagee. If Mortgagors deposit a letter of credit and Mortgagee or the Approving Engineer reasonably determine during the sixty (60) day period prior to the expiry of the letter of credit that the restoration of the Mortgaged Property may not be completed prior to the expiry date, upon written notice from Mortgagee to Mortgagors, Mortgagors shall cause the issuer of the letter of credit to renew said letter of credit (or issue a new letter of credit) on the same terms as previously issued. If Mortgagors fail to renew the letter of credit or deposit a new letter of credit as aforesaid by the earlier of (a) five (5) days before the expiry of the original letter of credit or (b) five (5) days after receipt of the written notice from Mortgagee, Mortgagee may draw on the original letter of credit, which sum shall be deposited into the condemnation escrow fund. If any requisition for payment of work performed is for an amount in excess of the sum then remaining in the condemnation escrow fund, Mortgagors shall immediately deposit the requisite amount in cash to the condemnation escrow fund, failing which Mortgagee may draw upon any letter of credit then being held in the escrow and deposit the proceeds in the condemnation escrow fund. The cost of such escrow and the services of any independent contractors, engineers or architects retained by Mortgagee shall be paid by Mortgagors. Mortgagors shall diligently and continuously restore the Mortgaged Property to its Prior Condition within a period of time reasonably necessary to complete such restoration, not to exceed twelve (12) months from the Condemnation or Taking, and if Mortgagors fail to act as aforesaid or if restoration is not completed within said period, such failure shall be deemed an Event of Default hereunder.

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If an Event of Default (as hereinafter defined) exists at the time that the Mortgaged Property is Condemned or at the time of a Taking or at the time of payment of any Condemnation Proceeds, all Condemnation Proceeds shall be paid over either by the condemning authority directly to Mortgagee or by the Condemnation Escrow Agent to Mortgagee and shall be applied first toward reimbursement of the costs and expenses of Mortgagee, if any, in connection with the recovery of such proceeds, and then shall be applied in the sole and absolute discretion of Mortgagee and without regard to the adequacy of its security under this Mortgage (i) to the payment of the Note and/or the Bonds; (ii) to the reimbursement of expenses incurred by Mortgagee in connection with the restoration of the Mortgaged Property; (iii) to the performance of any of the covenants contained in the Indenture or in this Mortgage as Mortgagee may determine; and/or (iv) if such Taking or Condemnation is partial, to be released to the Mortgagors so long as the proceeds are used to restore the Mortgaged Property in accordance with a Condemnation Escrow Agreement. In any case in which Condemnation Proceeds are applied to restore the Mortgaged Property, the amount released for said purpose shall not be deemed a payment of any portion of the unpaid balance of the Note.

Any Condemnation Proceeds remaining in the condemnation escrow fund after restoration of the Mortgaged Property pursuant to the plans and specifications shall be paid to Mortgagors if the Mortgagors are not then in default under this Mortgage. If, however, Mortgagors are in default under this Mortgage, after payment of the costs to complete the restoration of the Mortgaged Property, the amount remaining in the condemnation escrow fund shall be retained by Mortgagee and applied to the payment of all or any principal and interest due under the Note.

If Mortgagors (i) abandon the Mortgaged Property or (ii) fail to fulfill any of Mortgagors' obligations under this Section then Mortgagee may, in its sole and absolute discretion, collect and apply the Condemnation Proceeds to the restoration of the Mortgaged Property or to the payment of all or any portion of the Note.

If the Mortgaged Property is restored pursuant to the terms of this Section 1.8 or Section 1.7 herein, and restoration of the Mortgaged Property is delayed due to national emergency, act of God, strikes, lockouts, restrictive governmental laws or regulations, insurrections, boycotts, labor or material shortages, or other cause which the Approving Engineer determines may justify delay, then restoration of the Mortgaged Property shall be extended by any said period(s) of delay, but in no event shall said period exceed twelve (12) months from the Casualty, Condemnation or Taking.

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Section 1.9. Protection of Mortgagee. Mortgagors will protect, defend, indemnify and hold harmless Mortgagee from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed upon or incurred by or asserted against the Mortgagee by reason of (a) any interest of Mortgagee in the Mortgaged Property or any part thereof, (b) any accident, injury to or death of any person or persons, or loss of or damage to property, occurring on or about the Mortgaged Property or any part thereof or any adjoining sidewalks, curbs, vaults and vault spaces, streets or highways, (c) any use, nonuse or condition of the Mortgaged Property or any part thereof, or any adjoining sidewalks, curbs, vaults and vault spaces, street or highways, (d) any failure on the part of Mortgagors to perform or comply with any of the terms, covenants or conditions of this Mortgage, (e) any necessity to defend any of the rights, title or interest conveyed by this Mortgage, or (f) the performance of any labor or devices or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof. In the event that any action, suit or proceeding is brought against Mortgagee by reason of any of the matters described in the immediately preceding sentence, Mortgagors, upon the request of Mortgagee, will, at Mortgagors' expense, cause such action, suit or proceeding to be resisted and defended by counsel designated by Mortgagors and approved by Mortgagee. Any amounts payable to Mortgagee pursuant to the provisions of this paragraph shall be secured by this Mortgage. The obligations of Mortgagors under this paragraph shall survive any defeasance of this Mortgage.

For purposes of clause (d) in the first sentence of the preceding paragraph (and without limiting the generality thereof), it is expressly understood and agreed that Mortgagee shall have no duty to examine or make any investigation with respect to any work done, action taken or payment made by Mortgagors under Sections 1.4, 1.5, 1.7, or 1.8 of this Mortgage, and any determination of value under any such section (except as therein provided) shall be the sole responsibility of Mortgagors.

Section 1.10. Acceleration Upon Sale or Encumbrance. If either Mortgagor shall (i) sell or convey the Mortgaged Property or any part thereof, or any interest in the Mortgaged Property; (ii) be divested of its title to the Mortgaged Property or any interest therein; (iii) further encumber the Mortgaged Property or the ownership interest in either Mortgagor, including, but not limited to the grant of security interest in, all or any part of the beneficial interest in and to the Land Trust, or power of direction under the Land Trust; (iv) make any contract or agreement for any sale or assignment or other act listed in clauses (i) through (iii) above; or (v) enter into any lease giving the tenant any option to purchase the Mortgaged Property or any part thereof; then Mortgagee shall have the right, at its

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option, to declare the indebtedness secured by this Mortgage, irrespective of the maturity date specified in the Bonds or the Note, immediately due and payable. In addition, it shall be an immediate Event of Default hereunder if, without the prior written consent of Mortgagee, any of the following shall occur: (a) if any shareholder in The Musikantow Equity Corporation, an Illinois corporation ("Musikantow Equity") shall create, effect, contract for, commit to or consent to or shall permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any such shareholder's shares in Musikantow Equity, or (b) if Allen S. Musikantow shall create, effect or consent to or suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or other alienation of all or any part of his partnership interest in Beneficiary and in any such event Mortgagee shall have the right, at its option, to declare the indebtedness secured by this Mortgage, irrespective of the maturity date specified in the Bonds or the Note, immediately due and payable (Allen S. Musikantow and Musikantow Equity are sometimes hereinafter collectively referred to as the "General Partners" of Beneficiary).

Section 1.11. Management; Financial Statements. Beneficiary shall provide competent and responsible management, maintenance and operation of the Mortgaged Property and Beneficiary shall keep true books of record and account in which full, true and complete entries in accordance with generally accepted accounting principles applied on a consistent basis from year to year shall be made of all dealings or transactions with respect to the Mortgaged Property.

Within 90 days after the last day of each calendar year of the Beneficiary during the term of the Bonds, Beneficiary shall deliver to Mortgagee an original annual report of an independent certified public accountant acceptable to Mortgagee containing an unqualified opinion prepared in accordance with generally accepted auditing standards and generally accepted accounting principles, consistently applied, covering the operation of the Mortgaged Property and the financial condition of Beneficiary for the previous calendar year. Within 30 days after the last day of each calendar quarter of the Beneficiary during the term of the Note, Beneficiary shall also deliver to Mortgagee unaudited financial reports prepared in accordance with generally accepted accounting principles, consistently applied, covering the operation of the Mortgaged Property and the financial condition of Beneficiary for the previous calendar quarter, certified to Mortgagee by the Authorized Borrower Representative (as defined in the Indenture) to be complete, correct and accurate. All reports shall include, without limitation, balance sheets and statements of income and of partners' equity, if applicable, setting forth in each case in comparative form the figures for the previous calendar quarter or year, as the case may be. The

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interim quarterly reports shall also include a breakdown of all categories of revenues and expenses, and any supporting schedules and data requested by Mortgagee. Each set of annual or quarterly financial reports delivered to Mortgagee pursuant to this Section 1.11 shall also be accompanied by a certificate of the Authorized Borrower Representative stating whether any condition or event exists or has existed during the period covered by the annual or quarterly reports which then constituted, now, or upon notice or lapse of time, or both, would constitute an Event of Default under the Note, this Mortgage, the Indenture or any other Loan Document, and if any such condition or event then existed or now exists, specifying its nature and period of existence and what the Beneficiary did or proposes to do with respect to such condition or event. In the event such statements are not in a form reasonably acceptable to Mortgagee or Beneficiary fails to furnish such statements and reports, then Mortgagee, without limiting any of its other rights or remedies, shall have the immediate and absolute right to audit the respective books and records of the Mortgaged Property and Beneficiary at the expense of Beneficiary.

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ARTICLE II

EVENTS OF DEFAULT AND REMEDIES

Section 2.1. Acceleration of Indebtedness in Event of Default. Each of the following shall constitute an "Event of Default" for purposes of this Mortgage:

(a) The failure by either Mortgagor to pay within five (5) days after the date when due (i) any installment of principal or interest payable pursuant to the Note or this Mortgage, or (ii) any other amount payable pursuant to the Note, the Bonds, this Mortgage or any of the other Loan Documents, as hereinafter defined other than the final installment of principal or interest due on the Maturity Date as defined in the Note;

(b) The failure by either Mortgagor to promptly perform any other obligation or observe any other condition, covenant, term, agreement or provision required to be performed or observed by either Mortgagor under this Mortgage; provided, however, that unless and until the continued operation or safety of the Mortgaged Property, or the priority, validity or enforceability of this Mortgage or the lien hereof or the lien of any other security granted to Mortgagee or the value of the Property is immediately threatened or jeopardized, Mortgagors shall have a period not to exceed thirty (30) days after written notice of such failure of performance or observance to cure the same; provided further that if such failure is not susceptible to cure within such 30-day period, Mortgagors shall have an

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additional reasonable period of time (in no event more than sixty (60) additional days) to cure such failure so long as Mortgagors have commenced cure within the original 30-day period and thereafter diligently pursues such cure;

(c) Any material inaccuracy or untruth arises at any time in any representation, covenant or warranty made in this Mortgage, the Indenture or any of the other Loan Documents made by the Beneficiary, the Land Trust or the Guarantor, as hereafter defined, or of any statement or certification as to facts delivered to Mortgagee pursuant to the Loan Documents;

(d) At any time, the Beneficiary or any general partner of the Beneficiary, or the Guarantor, files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent or institutes (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or future Federal, state or other statute or law, or admits in writing his, her or its inability to pay his, her or its debts as they mature, or makes an assignment for the benefit of his or its creditors, or seeks or consents to or acquiesces in the appointment of any receiver, trustee or similar officer for all or any substantial part of his, her or its property;

(e) The commencement of any involuntary petition in bankruptcy against the Beneficiary or any general partner of the Beneficiary or the Guarantor or the institution against the Land Trust, Beneficiary, or any general partner of the Beneficiary, or against the Guarantor, of any reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or future Federal, state or other statute or law, or the appointment of a receiver, trustee or similar officer for all or any substantial part of the property of the Land Trust, Beneficiary or any general partner of Beneficiary, or the Guarantor which shall remain undismissed or undischarged for a period of sixty (60) days;

(f) The levy against the Mortgaged Property, or any portion thereof, or any execution, attachment, sequestration or any other writ which is not released within thirty (30) days after the date created;

(g) Any sale, transfer, lease, assignment, conveyance, pledge, lien or encumbrance made in violation of Section 1.10 of this Mortgage; and

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(h) The occurrence of any Event of Default under (i) the Note, (ii) the Bonds, (iii) the Indenture, (iv) the Combined Security Agreement and Assignment of Beneficial Interest In Land Trust (the "Collateral Assignment in Land Trust") made by the Beneficiary to Mortgagee, (v) the Guaranty (the "Guaranty") made by Allen S. Musikantow (referred to as "Guarantor") to Mortgagee, (vi) the Collateral Assignment of Rents and Leases (the "Collateral Assignment of Rents and Leases") made by Mortgagors to Mortgagee, (vii) the Collateral Assignment of Management Agreement made by Beneficiary to Mortgagee, (viii) the Collateral Assignment of Agreements, Licenses and Leases (the "Collateral Assignment of Licenses") made by Mortgagors to Mortgagee, (ix) the Environmental Indemnity Agreement (the "Environmental Indemnity") made by the Beneficiary, the Guarantor and Musikantow Equity to Mortgagee, all of even date herewith, or (x) any other document or instrument evidencing or securing the Note or the Bonds or delivered to Mortgagee to induce Mortgagee to disburse the proceeds thereof (this Mortgage and the documents described in clauses (i) through (x) above, inclusive, are hereinafter collectively referred to as the "Loan Documents") which Event of Default is not cured within the grace or cure period, if any, applicable thereto.

If an Event of Default occurs, Mortgagee may, at its option, declare the whole of the indebtedness hereby secured to be immediately due and payable without notice to Mortgagors, with interest thereon from the date of such Event of Default at the Default Rate as hereinafter defined. If Mortgagee elects to accelerate all payments on the Bonds and Note, the amount then due and payable by the Mortgagors as accelerated payment shall be the sum of (1) the aggregate principal amount of the Bonds then outstanding, (2) all unpaid interest on the Bonds accruing to the date of such acceleration, (3) any other amounts then due to the Mortgagee or any Holder or recipient under this Mortgage or any of the other Loan Documents and (4) all fees and expenses of the Mortgagee and any paying agents accrued and to accrue through such acceleration date. If while any insurance proceeds or condemnation awards are being held by Mortgagee to reimburse Mortgagors for the cost of rebuilding or restoration of buildings or improvements on the Mortgaged Property, as set forth in Sections 1.7 and 1.8 hereof, Mortgagee shall be or become entitled to, and shall accelerate the indebtedness secured hereby, then and in such event, Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by it in reduction of the indebtedness hereby secured and any excess held by it over the amount of indebtedness then due hereunder shall be returned to Mortgagors or any party entitled thereto without interest.

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Section 2.2. Foreclosure; Expense of Litigation. When the indebtedness hereby secured, or any part thereof shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof and/or exercise any right, power or remedy provided in this Mortgage or any of the other Loan Documents. It is further agreed that if default be made in the payment of any part of the secured indebtedness, as an alternative to the right of foreclosure for the full secured indebtedness after acceleration thereof, Mortgagee shall have the right to institute partial foreclosure proceedings with respect to the portion of said indebtedness so in default, as if under a full foreclosure, and without declaring the entire secured indebtedness due (such proceeding being hereinafter referred to as a "partial foreclosure"), and provided that if foreclosure sale is made because of default of a part of the secured indebtedness, such sale may be made subject to the continuing lien of this Mortgage for the unmatured part of the secured indebtedness; and it is agreed that such sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the unmatured part of the secured indebtedness, but as to such unmatured part of this Mortgage, the lien hereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this Section. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Mortgagee may elect at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the secured indebtedness by reason of any uncured default or defaults upon which such partial foreclosure was predicated or by reason of any other defaults, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosures without exhausting the right of full or partial foreclosure sale for any unmatured part of the secured indebtedness, it being the purpose to provide for a partial foreclosure sale of the secured indebtedness without exhausting the power to foreclose and to sell the Mortgaged Property pursuant to any such partial foreclosure for any other part of the secured indebtedness whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure. In the event of a foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagors, to assign any and all assignable insurance policies to the purchaser at such sale, or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

In any suit to foreclose or partially foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for

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documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to the title as Mortgagee may deem 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 the value of the Mortgaged Property. All expenditures and expenses of the nature in this section mentioned and such expenses and fees as may be incurred in the enforcement of Mortgagors' obligations hereunder, the protection of said Mortgaged Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in connection therewith or in any litigation or proceeding affecting this Mortgage, the Note or said Mortgaged Property, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding shall be immediately due and payable by Mortgagors, with interest thereon at the Default Rate and shall be secured by this Mortgage.

Section 2.3. Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure (or partial foreclosure) sale of the Mortgaged Property shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 2.2 hereof; second, all other items which may under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided and all principal and interest remaining unpaid on the Note; and third, any surplus to Mortgagors, its successors or assigns, as their rights may appear.

Section 2.4. Appointment of Receiver. Upon, or at any time after, the filing of a complaint to foreclose (or partially foreclose) this Mortgage, the court in which such complaint is filed may appoint a receiver of the Mortgaged Property. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of either Mortgagor at the time of application for such receiver and without regard to the then value of the Mortgaged Property or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Mortgaged Property during the pendency of such foreclosure suit and, in case of a sale and a deficiency during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagors, except for the intervention of such receiver, would be entitled to collect such rents, issues and

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profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; and/or (b) the deficiency in case of a sale and deficiency.

Section 2.5. Mortgagee's Right of Possession in Case of Default. In any case in which under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, Mortgagors shall forthwith and upon demand of Mortgagee, surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Mortgaged Property or any part thereof personally, or by its agents or attorneys, as for condition broken. Mortgagee's rights and remedies under this Section 2.5 shall be effective whether before or after the whole principal sum secured hereby is declared to be immediately due and provided hereunder, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder. In the event Mortgagee is entitled to take possession of the Mortgaged Property, Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of said Mortgaged Property, together with copies (unless Mortgagee requires originals) of all documents, books, records, papers and accounts of Mortgagors or then owner of the Mortgaged Property relating thereto, and may exclude Mortgagors, their agents or servants, wholly therefrom. In such case Mortgagee under the powers herein granted may hold, operate, manage and control the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents. Mortgagee shall have full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the avails, rents, issue, and profits of the Mortgaged Property, including actions for the recovery of rent, actions, in forcible detainer and actions in distress for rent. In the event Mortgagee is entitled to take possession of the Mortgaged Property, Mortgagee shall have full power:

(a) to cancel or terminate any lease or sublease for any reason or on any ground which would entitle either Mortgagor to cancel the same;

(b) to elect to disaffirm any lease, other than the Restaurant Lease (hereinafter defined), or sublease which is then subordinate to the lien hereof;

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(c) to extend or modify any then existing leases and to enter new leases, which extensions, modifications and leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness secured hereby and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagors and all persons whose interests in the Mortgaged Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure judgment or issuance of any certificate of sale or deed to any purchaser;

(d) to make any repairs, decorating renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Property as may seem judicious;

(e) to remove the management of the Mortgaged Property and install in its place management that the Mortgagee has selected;

(f) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and

(g) to receive all of such avails, rents, issues and profits; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter without notice to Mortgagors.

Mortgagee shall not be obligated to perform or discharge nor does it hereby undertake to perform or discharge any obligation, duty or liability under any leases. To the extent provided by law, Mortgagors shall and do hereby agree to protect, indemnify defend and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases except for such claims and demands as result directly from the gross negligent or willful actions of Mortgagee. Should Mortgagee incur any such liability, loss or damage under said leases or under or by reason of the assignment thereof, or in the defense

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of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and Mortgagors shall reimburse Mortgagee therefor immediately upon demand.

Section 2.6. Application of Income Received by Mortgagee. Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it shall have full power to use and apply the avails, rents, issues and profits of the Mortgaged Property to the payment of or on account as follows:

(a) First, to reimbursement of Mortgagee for and of all reasonable expenses of: taking and retaining possession of the Mortgaged Property; managing the Mortgaged Property and collecting the rents, issues, income and profits thereof including without limitation, salaries, fees and wages of a managing agent and such other employees as Mortgagee may deem necessary and proper, and reasonable attorneys' fees; operating and maintaining the Mortgaged Property, including without limitation, taxes, charges claims assessments, water rents, sewer rents, other liens, and premiums for any insurance provided in this Mortgage; the cost of all alterations, renovations, repairs or replacements of or to the Mortgaged Property which may deem necessary and proper, with interest thereon at the Default Rate;

(b) Second, to reimbursement of Mortgagee for and of all reasonable sums expended by Mortgagee pursuant to Paragraph 6(d) of that certain Collateral Assignment of Rents and Leases to make any payment or do any act required herein of Mortgagors, together with interest thereon at the Default Rate;

(c) Third, to reimbursement of Mortgagee for and of all other reasonable sums with respect to which Mortgagee is indemnified pursuant to Paragraph 8 of the Collateral Assignment of Rents and Leases, together with interest thereon at the Default Rate;

(d) Fourth, to reimbursement of Mortgagee for and of all other reasonable sums expended or advanced by Mortgagee pursuant to the terms and provisions of or constituting additional indebtedness under any of the Loan Documents, with interest thereon at the Default Rate;

(e) Fifth, to the payment of all accrued and unpaid interest on the principal sum of the Bonds;

(f) Sixth, to payment of the unpaid balance of the principal sum of the Bonds; and

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(g) Seventh, any balance remaining to Mortgagors, their successors and assigns.

Section 2.7. Rights and Remedies Cumulative; No Waiver or Release of Obligation. The rights and remedies of Mortgagee as provided in the Mortgage, and all other of the Loan Documents, and a breach of the warranties contained herein and therein shall be cumulative and concurrent, may be pursued separately, successively or together against the Mortgagors or against the Mortgaged Property, or both, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

Any failure by Mortgagee to insist upon strict performance by Mortgagors of any of the terms and provisions of this Mortgage or the Loan Documents shall not be deemed to be a waiver of any of the terms or provisions thereof, and Mortgagee shall have the right thereafter to insist upon strict performance by Mortgagors of any and all of them.

No delay or omission to exercise any right or power accruing upon any failure or Event of Default shall impair any right or power or shall be construed to be a waiver of any such failure or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any failure or Event of Default hereunder by Mortgagee shall extend to or shall affect any subsequent failure or Event of Default or shall impair any rights or remedies consequent thereon.

Neither the Mortgagors nor any other person now or hereafter obligated for payment of all or any part of the sums now or hereafter secured by this Mortgage shall be relieved of such obligation by reason of the failure of Mortgagee to comply with any request of the Mortgagors or of any other person so obligated to take action to foreclose on this Mortgage or otherwise enforce any provisions of this Mortgage or the other Loan Documents or by reason of the release, regardless of consideration, of all or any part of the security held for the indebtedness secured by this Mortgage, or by reason of any agreement or stipulation between any subsequent owner of the Mortgaged Property and Mortgagee extending the time of payment or modifying the terms of the Mortgage, without first having obtained the consent of the Mortgagors or such other person; and in the latter event Mortgagors and all such other persons shall continue to be liable to make payments according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Mortgagee.

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Mortgagee may release, regardless of consideration, any part of the security held for the indebtedness secured by this Mortgage without, as to the remainder of the security, in any way impairing or affecting the lien of this Mortgage or its priority over any subordinate lien.

Section 2.8. Termination of Proceedings. If Mortgagee shall have proceeded to enforce any right under this Mortgage by the appointment of a receiver, by entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case Mortgagors and Mortgagee shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of Mortgagee shall continue unimpaired as before.

Section 2.9. Mortgagee's Performance of Defaulted Acts. If Mortgagor fails to timely perform any of its obligations hereunder, after notice to Mortgagor, if practicable, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagors in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Mortgaged Property or consent to any tax or assessment or cure any default of Landlord in any lease of all or any part of the Mortgaged Property. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, to protect the Mortgaged Property or the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at four percent (4%) over the base rate, prime rate or reference rate of interest as announced from time to time by the First National Bank of Chicago but in no event lower than four percent (4%) over the Loan Rate as defined in the Note (the "Default Rate"). In addition to the foregoing, any costs, expenses and fees, including attorneys' fees, incurred by Mortgagee in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting and enforcing any of Mortgagee's rights hereunder, (c) recovering any indebtedness secured hereby, (d) any litigation or proceedings affecting the Note, this Mortgage, the Mortgaged Property, the Beneficiary or any co-maker of the Note or this Mortgage, including without limitation, bankruptcy and probate proceedings, or (e) preparing for the commencement, defense or participation in any threatened litigation or proceedings, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate. The interest accruing under this Section 2.9 shall be immediately due and payable by Mortgagors to Mortgagee, and shall

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be additional indebtedness evidenced by the Note and secured by this Mortgage. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagors. Should the proceeds of the Note or any part thereof, or any amount paid out or advanced by Mortgagee hereunder, or pursuant to any agreement executed by either Mortgagor in connection with the loan evidenced by the Note, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance upon the Mortgaged Property or any part thereof, then as additional security hereunder, Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment. Notwithstanding anything contained herein to the contrary, in no event shall the indebtedness secured by this Mortgage exceed an amount equal to Thirty Million and No/100 Dollars (\$30,000,000).

ARTICLE III

COVENANTS

Section 3.1 Mortgagors' Covenants Respecting Collateral.

(a) Without the prior written consent of Mortgagee, Mortgagors shall not create or suffer to be created any other security interest in the Collateral, including replacements and additions thereto;

(b) Without the prior written consent of Mortgagee or except in the ordinary course of business, Mortgagors shall not sell, transfer or encumber any of the Collateral, or remove any of the Collateral from the Mortgaged Property unless Mortgagors shall immediately substitute and replace the property removed with similar property of at least equivalent value on which Mortgagee shall have a continuing security interest ranking at least equal in priority to Mortgagee's security interest in the property removed;

(c) Mortgagors shall (i) permit Mortgagee and its representatives to enter upon the Mortgaged Property at any reasonable business hour to inspect the Collateral and Mortgagor's books and records relating to the Collateral and make extracts therefrom and to arrange for verification of the amount of the Collateral, under procedures acceptable to Mortgagee directly with Mortgagors' debtors or otherwise at Mortgagors' expense; (ii) promptly notify Mortgagee of any attachment or other legal process levied against any of the Collateral and any information received by Mortgagors relative to the Collateral, Mortgagors' debtors or other persons obligated in connection therewith, which may in any way affect the value of the

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Collateral or the rights and remedies of Mortgagee in respect thereto; (iii) reimburse Mortgagee upon demand for any and all costs actually incurred, including, without limitation, reasonable attorneys' and accountants' fees, and other expenses incurred in collecting any sums payable to Mortgagor or in the checking, handling and collection of the Collateral and the preparation and enforcement of any agreement relating thereto; (iv) notify Mortgagee of each location at which the Collateral is or will be kept, other than for temporary processing, storage or similar purposes, and of any removal thereof to a new location, including, without limitation, each office of Mortgagors at which records relating to the Collateral are kept; (v) provide, maintain and deliver to Mortgagee policies of insurance insuring the Collateral against loss or damage by such risks and in such amounts, form and by such companies as Mortgagee may require and with loss payable to Mortgagee, and in the event Mortgagee takes possession of the Collateral, the insurance policy or policies and any unearned or returned premium thereon shall at the option of Mortgagee become the sole property of Mortgagee; and (vi) do all acts necessary to maintain, preserve and protect the Collateral, keep the Collateral in good condition and repair and prevent any waste or unusual or unreasonable depreciation thereof;

(d) Until Mortgagee exercises its right to collect proceeds of the Collateral pursuant hereto, Mortgagors will collect with diligence any and all proceeds of the Collateral. Upon written request by Mortgagee, any proceeds received by Mortgagors shall be held in trust for Mortgagee, and Mortgagors shall keep all such collections separate and apart from all other funds and properties so as to be capable of identification as the property of Mortgagee and shall deliver such collections at such time as Mortgagee may request to Mortgagee in the identical form received, properly endorsed or assigned and required to enable Mortgagee to complete collection thereof.

(e) Mortgagee shall have all of the rights and remedies granted to a secured party under the Uniform Commercial Code of the state in which the Collateral is located, as well as all other rights and remedies available at law or in equity. During the continuance of any Event of Default hereunder or under the Note, the Indenture or any other Loan Document, Mortgagee shall have the right to take possession of all or any part of the Collateral, to receive directly or through its agents collections of proceeds of the Collateral (including notification of the persons obligated to make payments to Mortgagors in respect of the Collateral), to release persons liable on the Collateral and compromise disputes in connection therewith, to exercise all rights, powers and remedies which Mortgagors would have, but for the security agreement contained herein and in this Section 3.1 to all of the Collateral and proceeds thereof, and to do all other acts and things and execute all documents in the name of

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either Mortgagor or otherwise, deemed by Mortgagee as necessary, proper and convenient in connection with the preservation, perfection or enforcement of its rights hereunder; and

(f) During the continuance of any Event of Default hereunder or under the Bonds, the Note, the Indenture or any other Loan Document, Mortgagors shall, at the request of Mortgagee, assemble and deliver the Collateral and copies (unless Mortgagee requires originals) of books and records pertaining thereto to Mortgagee at a place designated by Mortgagee in the Chicago Metropolitan area, and Mortgagee may, without notice to Mortgagors, enter onto the Mortgaged Property and take possession of the Collateral. It is agreed that public or private sales, for cash or on credit, to a wholesaler or retailer or investor, or use of collateral of the types subject to the security agreement, or public auction, are all commercially reasonable since differences in the sales prices generally realized in the different kinds of sales are ordinarily offset by the differences in the costs and credit risks of such sales. The proceeds of any sale of the Collateral shall be applied first to the expenses of Mortgagee actually incurred in retaking, holding, preparing for sale, selling or similar matters, including reasonable attorneys' fees.

Section 3.2. Notices to Mortgagee. Mortgagors shall notify Mortgagee promptly of the occurrence of any of the following:

- (a) receipt of notice of condemnation of the Mortgaged Property or any part thereof;
- (b) receipt of notice from any governmental authority concerning any action or condition that may adversely and materially affect the structure, use or occupancy of the Mortgaged Property;
- (c) receipt of any notice of alleged default from the holder of any lien or security interest in the Mortgaged Property; and
- (d) commencement of any material litigation affecting Mortgagors or any litigation affecting the Mortgaged Property.

Section 3.3. Leases and Restrictions. Each Mortgagor hereby represents that other than (i) that certain lease (the "Restaurant Lease") dated November 20, 1979 between American National Bank and Trust Company of Chicago A/T/U Trust No. 45170, as lessor and Arley's, Inc., an Illinois corporation, as lessee, which Restaurant Lease was assigned pursuant to that certain Assignment of Lease dated February 24, 1981 by and between Arley's, Inc., an Illinois corporation and Sages Sages, Inc., an Illinois corporation, and (ii) that certain Store Lease dated

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May 23, 1985 by and between the Land Trust as lessor and Pradip Bhatt and Tilottama Bhatt as lessee (the "Store Lease"), there are no leases, subleases, or agreements to lease or sublease all or any part of the Mortgaged Property now in effect. All leases and subleases shall be subordinate to the lien of this Mortgage. So long as the tenant thereunder is not in default thereunder, no foreclosure of this Mortgage or any other proceeding in respect hereof shall divest, impair, modify, abrogate or otherwise adversely affect any interests or rights whatsoever of such tenant under such lease or sublease. Each Mortgagor covenants and agrees that it will comply with the terms of, and will promptly perform all of its obligations under, all existing and future leases and subleases of all or any part of the Mortgaged Property, and under deed or use restrictions affecting the Mortgaged Property; and in default thereof (a) Mortgagee may, at its option, perform the same and the cost thereof, together with interest at the Default Rate shall immediately be due from Mortgagors to Mortgagee and be secured by this Mortgage, and (b) Mortgagee may, at its option, treat any such default as an Event of Default hereunder.

Section 3.4. Compliance with Laws and Regulations. Each Mortgagor covenants and agrees that in the maintenance, repair, renewal, replacement, remodeling, modification, operation and management of the Mortgaged Property it will observe and comply with all insurance underwriters' requirements and with all applicable, lawful and constitutional, Federal, state and local statutes, ordinances, regulations, orders and restrictions, reserving hereby its right to contest the same, or the application of the same, so long as such contest shall not prejudice the lien of this Mortgage nor affect the amounts secured hereby, or any right or interest of the Mortgagee in, to and under the Indenture.

Section 3.5. Covenant Running with the Land. Any act or agreement to be done or performed by Mortgagors shall be construed as a covenant running with the land and shall be binding upon each Mortgagor and its successors and assigns as if they had personally made such agreement.

Section 3.6. Recordation. Mortgagors, at their expense, shall cause this Mortgage, any instruments supplemental hereto, the Collateral Assignment of Rents and Leases, financing statements, including all necessary amendments, supplements and appropriate continuation statements to be recorded, registered and filed, and to be kept recorded, registered and filed, in such manner and in such places as may be required in order to establish, preserve and protect the lien of this Mortgage as a valid, first mortgage lien on all real property, fixtures and interests therein included in the Mortgaged Property and a valid, perfected first priority security interest in all personal property, fixtures, and interests therein included in the

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Mortgaged Property (including in each such case, without limitation, any such properties acquired after the execution hereof).

Section 3.7. Mortgagors' Performance under Mortgage, Assignment of Rents and Leases and Indenture. The Mortgagors have examined the Indenture, approve the form and substance thereof and agree to be bound by its terms. Each of the Mortgagors shall, for the benefit of the Mortgagee and each Holder, do and perform all acts and things required or contemplated in the Loan Documents, including without limitation this Mortgage, the Assignment of Rents and Leases and the Indenture, to be done or performed by it, including, without limitation, the obligations of the Mortgagors with respect to insurance, taxes and other charges and maintenance, modification, repairs and restoration of the Mortgaged Property.

Section 3.8. After-Acquired Property. All property of every kind acquired by each Mortgagor after the date hereof, which by the terms hereof is intended to be subject to the lien of this Mortgage, shall immediately upon the acquisition thereof by either Mortgagors, and without further mortgage, conveyance or assignment, become subject to the lien of this Mortgage as fully as though now owned by Mortgagors and specifically described herein. Nevertheless, each Mortgagor shall take such actions and execute and deliver such additional instruments as Mortgagee shall reasonably require to further evidence or confirm the subjection to the lien of this Mortgage of any such property.

ARTICLE IV

MISCELLANEOUS

Section 4.1. Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed given when personally delivered, delivered by express mail such as Federal Express, or mailed by United States certified mail, return receipt requested, addressed to the address provided for in Section 1304 of the Indenture.

Section 4.2. Nonrecourse. Except as otherwise set forth in this Section 4.2, the liability of Mortgagors under this Mortgage and the Loan Documents shall be limited to, and satisfied only out of, the Mortgaged Property, the proceeds thereof, and the rents and all other income arising therefrom, the other assets of Mortgagors arising out of the Mortgaged Property, and any other Collateral given to Mortgagee as security for repayment of the indebtedness secured by this Mortgage; provided, however, that nothing contained in this paragraph shall (i) in any way preclude Mortgagee from foreclosing the lien of this Mortgage or from enforcing any of its rights or remedies in law or in equity against Mortgagors except as stated in this paragraph,

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(ii) constitute a waiver of any obligation evidenced by the Note or secured by this Mortgage or any Loan Documents, (iii) limit the right of Mortgagee to name either Mortgagor as a party defendant in any action brought under this Mortgage, the Note or any Loan Documents and to obtain a deficiency judgment against Mortgagors, so long as execution on any judgment is limited to the Mortgaged Property, (iv) prohibit Mortgagee from pursuing all of its rights and remedies against any guarantor or surety (including all of its rights and remedies under the Guaranty and the Environmental Indemnity) whether or not such guarantor or surety is a partner of Beneficiary, (v) in any way preclude Mortgagee from recovering from Beneficiary or the Indemnitors (as defined in the Environmental Indemnity Agreement) under the Environmental Indemnity, or (vi) in any way limit the personal liability of Beneficiary or any general partner of Beneficiary, to Mortgagee for waste, misappropriation or misapplication of funds, fraud, willful misrepresentation, or willful damage to the Mortgaged Property, and notwithstanding anything to the contrary contained in the Note or in any of the Loan Documents, and notwithstanding any delay on the part of Mortgagee in exercising any right, power or remedy in connection with any default under the Note or any Loan Documents, Mortgagee shall have full recourse against Beneficiary and any general partners of Beneficiary and Beneficiary and the general partners of Beneficiary shall be personally liable for and will promptly account (by delivery of funds to the extent not already held by Mortgagee or proof that the same have been theretofore expended for costs incurred in connection with the Mortgaged Property) to Mortgagee for (a) all condemnation awards and proceeds and insurance proceeds (to the extent same have not theretofore been applied toward payment of the sums due under the Note, used for repair of the Mortgaged Property or constitute excess condemnation awards and proceeds or insurance proceeds remaining after restoration of the Mortgaged Property); (b) all security deposits, if any; (c) failure to pay, in accordance with the Mortgage, taxes, assessments or other charges which can create liens on any portion of the Mortgaged Property and are payable under the Note or under the Loan Documents (to the full extent of any such taxes, assessments or materials or other charges); (d) failure to pay charges for labor or materials or other charges which can create liens on any portion of the Mortgaged Property (to the full extent of the amount rightfully claimed by any such claimant); and (e) prepaid rent and rental or other income from and after the occurrence of an Event of Default as defined in the Note or the Loan Documents derived from the Mortgaged Property (whether any of such condemnation awards, insurance proceeds, income or other funds derived from the Mortgaged Property are held by Mortgagee or received by either Mortgagor).

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Section 4.3. Amendments, Changes and Modifications. This Mortgage may be effectively amended, changed, modified or altered only by a written instrument signed by all the parties hereto.

Section 4.4. Execution Counterparts. This Mortgage may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 4.5. Severability. In case any clause, provision or section of this Mortgage, or any covenant, stipulation, obligation, agreement, act, or part thereof, made, assumed, entered into, or taken under this Mortgage, or any application thereof, is for any reason held to be illegal, invalid or inoperable, such illegality, invalidity, or inoperability shall not affect the remainder thereof or any other clause, provision or section or any other covenant, stipulation, obligation, agreement, act, or part thereof, made, assumed, entered into, or taken thereunder, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein, nor shall such illegality or invalidity or inoperability of any application thereof affect any legal and valid and operable application thereof, from time to time, and each such clause, provision or section, covenant, stipulation, obligation, agreement, act, or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent from time to time permitted by law.

Section 4.6. General Waivers by Mortgagors. Each Mortgagor hereby waives and releases, to the extent permitted by law:

- (a) all errors, defects and imperfections in any proceeding instituted by Mortgagee hereunder or under any of the Loan Documents;
- (b) all benefit that might accrue to the Mortgagors by virtue of any present or future law exempting the Mortgaged Property, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale on execution, or providing for any stay of execution, exemption from civil process or extension of time for payment;
- (c) any appraisalment, valuation, stay, extension or redemption or usury law now or hereafter in force and all rights of marshalling of assets in the event of any sale of the Mortgaged Property or any part thereof or interest therein, it being understood and agreed that any court having jurisdiction to foreclose the lien hereof may sell the Mortgaged Property in part or as an entirety; and

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- (d) unless specifically required herein or by law, all notices of Mortgagors' default or of Mortgagee's election to exercise, or Mortgagee's actual exercise, of any option or remedy hereunder or under any other Loan Document.

Section 4.7. Effect of Mortgage. This Mortgage constitutes a security agreement under the Uniform Commercial Code as adopted in the State of Illinois and creates a security interest in favor of Mortgagee in and to all that property (and the proceeds, accessions and replacements thereof, and the proceeds of any insurance on such property) included in the Mortgaged Property which constitutes fixtures or personal property. Each Mortgagor shall execute, deliver, file and refile any financing statements, continuation statements, or other security agreements Mortgagee may require from time to time to confirm the lien of this Mortgage with respect to such property. If certificates of title are issued with respect to any such property, Mortgagors will cause the interest of the Mortgagee to be properly noted thereon. Without limiting the foregoing, Mortgagors hereby irrevocably appoint Mortgagee attorney-in-fact for each Mortgagor to execute, deliver and file such instruments for and on behalf of Mortgagors. Notwithstanding any release of any or all of that property included in the Mortgaged Property which is deemed "real property", any proceedings to foreclose this Mortgage, or its satisfaction of record, the terms hereof shall survive as a security agreement with respect to the security interest created hereby and referred to above until the repayment or satisfaction in full of the obligations of Mortgagors as are now or hereafter secured hereby. Nothing herein shall preclude Mortgagee from proceeding as to both real and personal property in accordance with Mortgagee's rights and remedies in respect of real property, as provided in Article 9 of the Uniform Commercial Code as adopted in Illinois.

Section 4.8. Captions. The captions or headings in this Mortgage are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Mortgage.

Section 4.9. Governing Law. This Mortgage shall be deemed to be a contract made under the laws of the State of Illinois and for all purposes shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 4.10. Exculpatory Clause. This Mortgage is executed by the Land Trust, not personally, but as trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such trustee (and Land Trust hereby represents that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing contained herein or in the Note shall be construed as

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creating any liability on the Land Trust personally to pay the Note or any interest, late charge or premium that may accrue thereon, or any indebtedness secured by this Mortgage, or to perform any covenant, either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as Land Trust personally is concerned, the legal holder or holders of the Note and the owner or owners of any indebtedness secured hereby shall look solely to any one or more of (a) the Mortgaged Property hereby mortgaged, conveyed and assigned, (b) an action to enforce the personal liability of Beneficiary or any general partners of Beneficiary, if any, and any obligor or guarantor, and (c) any other security or collateral given at any time to secure the payment thereof.

IN WITNESS WHEREOF, the parties have executed this Mortgage as of the day and year first above written.

Mortgagors:

AMERICAN NATIONAL BANK AND TRUST COMPANY
OF CHICAGO, as Trustee as aforesaid

Attest:

Its: [Signature]
ASSISTANT SECRETARY

By: [Signature]

Its: VICE PRESIDENT

I-90 COMPANY, an Illinois limited
partnership

By: [Signature]

Allen S. Musikantow, a general
partner

By: The Musikantow Equity Corporation,
an Illinois corporation, a general
partner

By: [Signature]

Its President

Attest:

Its: [Signature]
Sue Pres.

Mortgagee:

The Exchange National Bank of Chicago

By: [Signature]

Its: ASSISTANT VICE PRES

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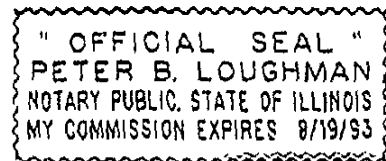
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Peter B. Loughman, a Notary Public in and for said County, in the State aforesaid, do hereby certify that ALLEN S. MUSIKANTOW, who is personally known to me and to be the same person whose name is subscribed to the foregoing instrument as a general partner of I-90 COMPANY, an Illinois limited partnership (the "Partnership"), appeared before me in person and acknowledged that he signed, sealed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of the Partnership, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 15th day of September, 1989.

Peter B. Loughman
Notary Public



89441339

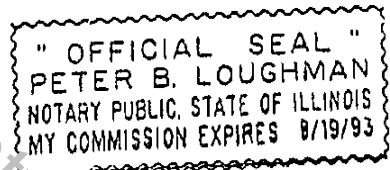
UNOFFICIAL COPY

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, Peter B. Loughman, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Allen S. Musikantow, who is personally known to me and to be the same person whose name is subscribed to the foregoing instrument as the president of THE MUSIKANTOW EQUITY CORPORATION, an Illinois corporation and general partner in I-90 COMPANY, an Illinois limited partnership (the "Partnership"), appeared before me in person and acknowledged that he signed, sealed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of the Partnership, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 15th day of September, 1989.

Peter B. Loughman
Notary Public



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EXHIBIT B

1. Non-delinquent real estate taxes for 1989 and subsequent years.
2. EASEMENT AND OPERATING AGREEMENT MADE DECEMBER 1, 1979 BY AND BETWEEN AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 8, 1978 AND KNOWN AS TRUST NO. 45170 RECORDED JANUARY 4, 1980 AS DOCUMENT NO. 25306989, AND FILED AS DOCUMENT NO. LR3139276, AND AMENDED BY DOCUMENT NO. 26527048, RECORDED MARCH 7, 1983 AND FILED AS DOCUMENT NO. LR3296792.
3. RECIPROCAL EASEMENT AGREEMENT MADE AUGUST 2, 1979, BY AND BETWEEN AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 8, 1978 AND KNOWN AS TRUST NO. 45170, AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED JULY 3, 1979 AND KNOWN AS TRUST NO. 47058, ET AL, RECORDED OCTOBER 1, 1979 AS DOCUMENT NO. 25171074 AND FILED AS DOCUMENT NO. LR3121973, AS AMENDED BY FIRST AMENDMENT TO RECIPROCAL EASEMENT AGREEMENT RECORDED JUNE 4, 1981 AS DOCUMENT NO. 25873428 AND FILED AS DOCUMENT NO. LR3218008.
4. AN EASEMENT OVER AND ACROSS THE SOUTHERLY 10 FEET AND THE EASTERLY 10 FEET OF LOT 1 AFORESAID IN FAVOR OF COMMONWEALTH EDISON COMPANY AND ILLINOIS BELL TELEPHONE COMPANY FOR POLE LINES, CONDUITS AND IN FAVOR OF NORTHERN ILLINOIS GAS COMPANY FOR THE INSTALLATION, RELOCATION, RENEWAL, AND REMOVAL OF GAS MAINS AND SUBJECT TO THE CONDITIONS THEREIN AS RESERVED ON THE PLAT OF SUBDIVISION RECORDED NOVEMBER 29, 1979 AS DOCUMENT NO. 25261219 AND FILED NOVEMBER 29, 1979 AS DOCUMENT NO. LR 3133810.
5. A SIDEWALK EASEMENT OVER AND ACROSS THE NORTHERLY 10 FEET OF LOT 1, WHICH IS DIRECTLY ADJACENT TO ALGONQUIN ROAD, AS DOCUMENT NO. 25261219 AND FILED NOVEMBER 29, 1979 AS DOCUMENT NO. LR3133810.
6. EASEMENT IN FAVOR OF ILLINOIS BELL TELEPHONE FOR POLE LINES, CONDUITS AND MAINTENANCE PURPOSES GRANTED BY DOCUMENT LR3162153 AND FILED MAY 22, 1980, AND THE TERMS AND CONDITIONS THEREOF.

(AFFECTS NORTHEASTERLY 100 FEET OF THE NORTHWESTERLY 15 FEET)
7. AN EASEMENT OVER AND ACROSS A PORTION OF SUBJECT PROPERTY AS SHOWN IN SURVEY ATTACHED TO SAID DOCUMENT IN FAVOR OF NORTHERN ILLINOIS GAS COMPANY, FOR THE INSTALLATION, RELOCATION, RENEWAL AND REMOVAL OF GAS MAINS AND SUBJECT TO THE CONDITIONS THEREIN AS RESERVED BY INSTRUMENT FILED SEPTEMBER 23, 1980 AS DOCUMENT NO. LR3179580.
8. EASEMENT FOR PUBLIC UTILITIES AND DRAINAGE 10 FEET ON THE EASTERLY LINE AND 10 FEET ON THE SOUTHERLY LINE OF THE LAND AS SHOWN ON THE PLAT OF SUBDIVISION.
9. Existing unrecorded leases, if any, and rights of parties in possession under such unrecorded leases.

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DEPT-61 RECORDING
120000 TRAM 5887 09/19/89 141339
COOK COUNTY RECORDER

Property of Cook County Clerk's Office

89-441339

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IN DUPLICATE

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3825994

3825994

SEP 19 PM 2 21
CAROL MOSLEY BRAUN
REGISTRAR OF TITLES

THIS IS A DUPLICATE ORIGINAL FILED WITH REGISTRAR DELIVER TO	F.A.T.I.C.
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First American Title Insurance
Company of the Mid-West
North LaSalle Street Suite 400
180, Illinois 60602 750-6730