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MORTGAGE AND SECURITY AGREEMENT

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THIS MORTGAGE AND SECURITY AGREEMENT (this "Mortgage"), made as of June 15, 1990, is made and executed by American National Bank and Trust Company of Chicago, not in its individual capacity but as Trustee under a Trust Agreement dated June 18, 1990, and known as Trust No. 112180-05, having its principal offices at 33 North LaSalle Street, Chicago, Illinois 60690 ("Mortgagor"), in favor of State Bank of South Australia, through its New York Agency Office, located at 461 Fifth Avenue, 4th Floor, New York, New York 10017-6202 ("Lender").

RECITALS

I. Mortgagor and Lender have entered into a Credit Agreement dated as of June 8, 1990, by and among Medieval Dinner & Tournament, Inc., a California corporation ("MDTI"), and its affiliates (other than Medieval Show, Inc., a Florida corporation and Inverspan, N.V., a Netherlands Antilles corporation) signatory thereto, and Lender, together with any and all additions, alterations, amendments, changes, extensions, modifications, renewals, substitutions or supplements thereto or thereof, including, without limitation, that certain Agreement and Amendment No. 1 to Credit Agreement of even date herewith, among MDTI, Mortgagor and Lender (collectively, the "Credit Agreement"), pursuant to which Lender has agreed, subject to the terms and conditions thereof, to make loans and extend certain other financial considerations to Mortgagor in an amount not to exceed Twelve Million and No/100 Dollars (\$12,000,000.00) (collectively, the "Loan").

II. The Loan is evidenced by, among other things, a certain Promissory Note of even date herewith (the "Note"), executed by Mortgagor and payable to the order of Lender in the original principal sum of Twelve Million and No/100 Dollars (\$12,000,000.00). A copy of the Note is attached hereto as Exhibit A.

III. Medieval Times Investment, Inc., an Illinois corporation ("Beneficiary") owns 100% of the beneficial interest in Mortgagor. Beneficiary has executed and delivered to Lender a certain General Continuing Guaranty of even date herewith (the "Guaranty"), pursuant to which Beneficiary has irrevocably and unconditionally guaranteed to Lender the payment and performance when due of all the Obligations (as defined in the Credit Agreement). A copy of the Guaranty is attached hereto as Exhibit B.

IV. The Note and the Guaranty are referred to in, and were executed and delivered pursuant to, the Credit Agreement, to which reference is hereby made for a statement of the terms and conditions under which the Loan is made and the Loan and the Obligations are to be repaid. The terms and provisions of the

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Credit Agreement, the Note and the Guaranty are hereby incorporated, by reference, in this Mortgage.

GRANTING CLAUSES

To secure the payment of the indebtedness evidenced by the Note and the Guaranty and the payment of all amounts due under and the performance and observance of all covenants and conditions contained in this Mortgage, the Note, the Guaranty, the Credit Agreement, any and all other mortgages, security agreements, assignments of leases and rents, guaranties, letters of credit and any other documents and instruments now or hereafter executed by Mortgagor, Beneficiary or any party related thereto or affiliated therewith to evidence, secure or guarantee the payment of all or any portion of the indebtedness under the Note and the Guaranty, and any and all renewals, extensions, amendments and replacements of this Mortgage, the Note, the Guaranty, the Credit Agreement and any such other documents and instruments (the Note, the Guaranty, the Credit Agreement, this Mortgage, such other mortgages, security agreements, assignments of leases and rents, guaranties, letters of credit, and any other documents and instruments now or hereafter executed and delivered in connection with the Loan, and any and all amendments, renewals, extensions and replacements hereof and thereof, being sometimes referred to collectively as the "Loan Instruments" and individually as a "Loan Instrument") (all indebtedness and liabilities secured hereby being hereinafter sometimes referred to as "Borrower's Liabilities" which indebtedness and liabilities being secured hereby shall, in no event, exceed five times the aggregate face amount of the Note), Mortgagor does hereby convey, mortgage, assign, transfer, pledge and deliver to Lender the following described property subject to the terms and conditions herein:

(A) The land located in Cook County, Illinois, legally described in attached Exhibit C ("Land");

(B) All the buildings, structures, improvements and fixtures of every kind or nature now or hereafter situated on the Land; and, to the extent not owned by tenants of the Mortgaged Property, all machinery, appliances, equipment, furniture and all other personal property of every kind or nature located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Land, all buildings, structures, improvements or fixtures now or hereafter located or to be located on the Land, or in connection with any construction being conducted or which may be conducted thereon, and all extensions, additions, improvements, substitutions and replacements to any of the foregoing ("Improvements");

(C) All building materials and goods which are procured or to be procured for use on or in connection with the Improvements

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or the construction of additional Improvements, whether or not such materials and goods have been delivered to the Land ("Materials");

(D) All plans, specifications, architectural renderings, drawings, licenses, permits, soil test reports, other reports of examinations or analyses of the Land or the Improvements, contracts for services to be rendered to Mortgagor, Beneficiary or otherwise in connection with the Improvements and all other property, contracts, reports, proposals and other materials now or hereafter existing in any way relating to the Land or the Improvements or the construction of additional Improvements;

(E) All easements, tenements, rights-of-way, vaults, gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers and appurtenances in any way belonging, relating or appertaining to any of the Land or Improvements, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired ("Appurtenances");

(F) (i) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Land, Improvements or Appurtenances or any part thereof or to any rights appurtenant thereto;

(ii) All compensation, awards, damages, claims, rights of action and proceeds of or on account of (a) any damage or taking, pursuant to the power of eminent domain, of the Land, Improvements, Appurtenances or Materials or any part thereof, (b) damage to all or any portion of the Land, Improvements or Appurtenances by reason of the taking, pursuant to the power of eminent domain, of all or any portion of the Land, Improvements, Appurtenances, Materials or of other property, or (c) the alteration of the grade of any street or highway on or about the Land, Improvements, Appurtenances, Materials or any part thereof; and, except as otherwise provided herein, Lender is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor and, except as otherwise provided herein, to apply the same toward the payment of the indebtedness and other sums secured hereby;

(iii) All contract rights, general intangibles, actions and rights in action, including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to damage to the Land, Improvements, Appurtenances or Materials; and

(iv) All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Land, Improvements, Appurtenances or Materials;

(G) All rents, issues, profits, income and other benefits now or hereafter arising from or in respect of the Land,

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Improvements or Appurtenances (the "Rents"); it being intended that this Granting Clause shall constitute an absolute and present assignment of the Rents, subject, however, to the conditional permission given to Mortgagor to collect and use the Rents as provided in this Mortgage;

(H) Any and all leases, licenses and other occupancy agreements now or hereafter affecting the Land, Improvements, Appurtenances or Materials, together with all security therefor and guaranties thereof and all monies payable thereunder, and all books and records owned by Mortgagor which contain evidence of payments made under the leases and all security given therefor (collectively, the "Leases"), subject, however, to the conditional permission given in this Mortgage to Mortgagor to collect the Rents arising under the Leases as provided in this Mortgage;

(I) Any and all after-acquired right, title or interest of Mortgagor in and to any of the property described in the preceding Granting Clauses; and

(J) The proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding Granting Clauses;

All of the mortgaged property described in the Granting Clauses, together with all real and personal, tangible and intangible property pledged in, or to which a security interest attaches pursuant to, any of the Loan Instruments is sometimes referred to collectively as the "Mortgaged Property." The Rents and Leases are pledged on a parity with the Land and Improvements and not secondarily.

ARTICLE ONE

COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees with Lender as follows:

1.01 **Performance under Note, Guaranty, Mortgage and Other Instruments.** Mortgagor shall perform, observe and comply with or cause to be performed, observed and complied with in a complete and timely manner all provisions hereof, of the Note and of the Guaranty, every other Loan Instrument and every instrument evidencing or securing Borrower's Liabilities and will promptly pay or cause to be paid to Lender when due the principal with interest thereon and all other sums required to be paid by Mortgagor pursuant to the Note, the Guaranty, this Mortgage, every other Loan Instrument and every other instrument evidencing or securing Borrower's Liabilities.

1.02 **General Covenants and Representations.** Mortgagor covenants and represents that as of the date hereof and at all

times thereafter during the term hereof: (a) Mortgagor is seized of an indefeasible estate in fee simple in that portion of the Mortgaged Property which is real property, and has good and absolute title to it and the balance of the Mortgaged Property free and clear of all liens, security interests, charges and encumbrances whatsoever except those described in Exhibit D, if any (the "Permitted Encumbrances"); (b) Mortgagor has good right, full power and lawful authority to mortgage and pledge the Mortgaged Property as provided herein; (c) upon the occurrence of an Event of Default, Lender may at all times peaceably and quietly enter upon, hold, occupy and enjoy the Mortgaged Property in accordance with the terms hereof; and (d) Mortgagor will maintain and preserve the lien of this Mortgage as a first and paramount lien on the Mortgaged Property subject only to the Permitted Encumbrances until Borrower's Liabilities have been paid in full.

1.00 Compliance with Laws and Other Restrictions. Mortgagor covenants and represents that the Land and the Improvements and the use thereof presently comply with, and will during the full term of this Mortgage continue to comply with, all applicable restrictive covenants, zoning and subdivision ordinances and building codes, licenses, health and environmental laws and regulations and all other applicable laws, ordinances, rules and regulations. If any federal, state or other governmental body or any court issues any notice or order to the effect that the Mortgaged Property or any part thereof is not in compliance with any such covenant, ordinance, code, law or regulation, Mortgagor will promptly provide Lender with a copy of such notice or order and will immediately commence and diligently perform all such actions as are necessary to comply therewith or otherwise correct such non-compliance. Mortgagor shall not, without the prior written consent of Lender, petition for or otherwise seek any change in the zoning ordinances or other public or private restrictions applicable to the Mortgaged Property on the date hereof.

1.04 Taxes and Other Charges.

1.04.1 Taxes and Assessments. Mortgagor shall promptly when due all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations, liens and encumbrances of every kind and nature whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or Borrower's Liabilities or upon or against the interest of Lender in the Mortgaged Property, as well as all taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality or other taxing authority upon or in respect of the Mortgaged Property or any part thereof; provided, however, that unless compliance with applicable laws requires that taxes, assessments or other charges must be paid as a condition to protesting or contesting the amount thereof, Mortgagor may in good faith, by appropriate proceedings commenced

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within ninety (90) days of the due date of such amounts and thereafter diligently pursued, contest the validity, applicability or amount of any asserted tax, assessment or other charge and pending such contest Mortgagor shall not be deemed in default hereunder if on or before the due date of the asserted tax or assessment, Mortgagor shall first either (i) deposit with Lender a bond or other security satisfactory to Lender in the amount of 150% of the amount of such tax or assessment or (ii) obtain an endorsement, in form and substance satisfactory to Lender, to the loan policy of title insurance issued to Lender insuring the lien of this Mortgage, insuring over such tax or assessment. Mortgagor shall pay the disputed or contested tax, assessment or other charge and all interest and penalties due in respect thereof on or before the date any adjudication of the validity or amount thereof becomes final and on any event no less than thirty (30) days prior to any forfeiture or sale of the Mortgaged Property by reason of such non-payment. Upon Lender's request, Mortgagor will promptly file, if it has not theretofore filed, such petition, application or other instrument as is necessary to cause the Land and Improvements to be taxed as a separate parcel or parcels which include no property not a part of the Mortgaged Property.

1.04.2 Taxes Affecting Lender's Interest. If any state, federal, municipal or other governmental law, order, rule or regulation, which becomes effective subsequent to the date hereof, in any manner changes or modifies existing laws governing the taxation of mortgages or debts secured by mortgages, or the manner of collecting taxes, so as to impose on Lender a tax by reason of its ownership of any or all of the Loan Instruments or measured by the principal amount of the Note or the Guaranty, require or have the practical effect of requiring Lender to pay any portion of the real estate taxes levied in respect of the Mortgaged Property to pay any tax levied in whole or in part in substitution for real estate taxes or otherwise affects materially and adversely the rights of Lender in respect of the Note, the Guaranty, this Mortgage or the other Loan Instruments, Borrower's liabilities and all interest accrued thereon shall, upon thirty (30) days' notice, become due and payable forthwith at the option of Lender, whether or not there shall have occurred an Event of Default, provided, however, that, if Mortgagor may, without violating or causing a violation of such law, order, rule or regulation, pay such taxes or other sums as are necessary to eliminate such adverse effect upon the rights of Lender and does pay such taxes or other sums when due, Lender may not elect to declare due Borrower's liabilities by reason of the provisions of this Section 1.04.2.

1.04.3 Tax Escrow. Mortgagor shall, in order to secure the performance and discharge of Mortgagor's obligations under this Section 1.04, but not in lieu of such obligations, deposit with Lender on the first day of each calendar month throughout the term of the Loan, deposits, in amounts set by Lender from time to time by written notice to Mortgagor, in order to accumulate funds sufficient to permit Lender to pay all annual ad valorem taxes,

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assessments and charges of the nature described in Section 1.04.1 at least thirty (30) days prior to the date or dates on which they shall become delinquent. The taxes, assessments and charges for purposes of this Section 1.04.3 shall, if Lender so elects, include, without limitation, water and sewer rents. Mortgagor shall procure and deliver to Lender when issued all statements or bills for such obligations. Upon demand by Lender, Mortgagor shall deliver to Lender such additional monies as are required to satisfy any deficiencies in the amounts necessary to enable Lender to pay such taxes, assessments and similar charges thirty (30) days prior to the date they become delinquent. Lender shall pay such taxes, assessments and other charges as they become due to the extent of the funds on deposit with Lender from time to time and provided Mortgagor has delivered to Lender the statements or bills therefor. In making any such payments, Lender shall be entitled to rely on any bill issued in respect of any such taxes, assessments or charges without inquiry into the validity, propriety or amount thereof and whether delivered to Lender by Mortgagor or otherwise obtained by Lender. Any deposits received pursuant to this Section 1.04.3 shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Lender and Lender shall have no obligation to pay interest on amounts deposited with Lender pursuant to this Section 1.04.3. If any Event of Default occurs any part or all of the amounts then on deposit or thereafter deposited with Lender under this Section 1.04.3 may at Lender's option be applied to payment of Borrower's Liabilities in such order as Lender may determine.

1.04.4 No Credit Against tax Indebtedness Secured Hereby. Mortgagor shall not claim, demand or be entitled to receive any credit against the principal or interest payable under the terms of the Note, the Guaranty or on any of Borrower's Liabilities for any of the taxes, assessments or similar impositions assessed against the Mortgaged Property or any part thereof or that are applicable to Borrower's Liabilities or to Lender's interest in the Mortgaged Property.

1.05 Mechanic's and Other Liens. Mortgagor shall not permit or suffer any mechanic's, laborer's, materialman's, statutory or other lien or encumbrance (other than any lien for taxes and assessments not yet due) to be created upon or against the Mortgaged Property, provided, however, that Mortgagor may in good faith, by appropriate proceeding, contest the validity, applicability or amount of any asserted lien and, pending such contest, Mortgagor shall not be deemed to be in default hereunder if Mortgagor shall first either (i) deposit with Lender a bond or other security satisfactory to Lender in the amount of 150% of the amount of such lien or (ii) obtain an endorsement, in form and substance satisfactory to Lender, to the loan policy of title insurance issued to Lender insuring the lien of this Mortgage, insuring over such lien. Mortgagor shall pay the disputed amount and all interest and penalties due in respect thereof on or before the date any adjudication of the validity or amount thereof becomes

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final and, in any event, no less than thirty (30) days prior to any foreclosure sale of the Mortgaged Property or the exercise of any other remedy by such claimant against the Mortgaged Property.

1.06 Insurance and Condemnation.

1.06.1 Hazard Insurance. Mortgagor shall, at its sole expense, obtain for, deliver to, assign to and maintain for the benefit of Lender, until Borrower's Liabilities are paid in full, policies of hazard insurance in an amount which shall be not less than 100% of the full insurable replacement cost of the Mortgaged Property (other than the Land) insuring on a replacement cost basis the Mortgaged Property against loss or damage on an "All Risks" form, such insurable hazards, casualties and contingencies as Lender may require, including without limitation fire, windstorm, rainstorm, vandalism, earthquake and, if all or any part of the Mortgaged Property shall at any time be located within an area identified by the government of the United States or any agency thereof as having special flood hazards and for which flood insurance is available, flood. Mortgagor shall pay promptly when due any premiums on such insurance policies and on any renewals thereof. The form of such policies and the companies issuing them shall be acceptable to Lender. If any such policy shall contain a co-insurance clause it shall also contain an agreed amount or stipulated value endorsement. All such policies and renewals thereof shall be held by Lender and shall contain a standard mortgagee's endorsement making losses payable to Lender. No additional parties shall appear in the mortgage clause without Lender's prior written consent. In the event of loss, Mortgagor will give immediate written notice to Lender and Lender may make proof of loss if not made promptly by Mortgagor (for which purpose Mortgagor hereby irrevocably appoints Lender as its attorney-in-fact). In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in full or partial satisfaction of Borrower's Liabilities, all right, title and interest of Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee. All such policies shall provide that they shall not be modified, cancelled or terminated without at least thirty (30) days' prior written notice to Lender from the insurer.

1.06.2 Other Insurance. Mortgagor shall, at its sole expense, obtain for, deliver to, assign to and maintain for the benefit of, Lender, until Borrower's Liabilities are paid in full, (i) a general liability insurance policy of not less than \$1,000,000.00, (ii) a loss of rentals and/or business interruption insurance policy (in an amount equal to not less than one year's gross rent or gross income for a fully leased or fully operational building) and (iii) such other insurance policies relating to the Mortgaged Property and the use and operation thereof, including dramshop and workmen's compensation insurance, in such amounts as may be reasonably required by Lender and with such companies and in such form as may be acceptable to Lender. Lender, by written

demand upon Mortgagor, may require such policies to contain an endorsement, in form satisfactory to Lender, naming Lender as the loss payee thereunder.

1.06.3 Adjustment of Loss. Lender is hereby authorized and empowered, at its option, to adjust or compromise any loss of more than \$100,000.00 under any insurance policies covering or relating to the Mortgaged Property and to collect and receive the proceeds from any such policy or policies (and deposit such proceeds as provided in Section 1.06.5). Mortgagor hereby irrevocably appoints Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. Each insurance company is hereby authorized and directed to make payment (i) of 100% of all such losses of more than said amount directly to Lender alone and (ii) of 100% of all such losses of said amount or less directly to Mortgagor alone, and in no case to Mortgagor and Lender jointly. After deducting from such insurance proceeds any expenses incurred by Lender in the collection and settlement thereof, including without limitation attorneys' and adjusters' fees and charges, Lender shall apply the net proceeds as provided in Section 1.06.5. Lender shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

1.06.4 Condemnation Awards. Lender shall be entitled to all compensation, awards, damages, claims, rights of action and proceeds of, or on account of, (i) any damage or taking, pursuant to the power of eminent domain, of the Mortgaged Property or any part thereof, (ii) damage to the Mortgaged Property by reason of the taking, pursuant to the power of eminent domain, of other property, or (iii) the alteration of the grade of any street or highway on or about the Mortgaged Property. Lender is hereby authorized, at its option, to commence, appear in and prosecute in its own or Mortgagor's name any action or proceeding relating to any such compensation, awards, damages, claims, rights of action and proceeds and to settle or compromise any claim in connection therewith. Mortgagor hereby irrevocably appoints Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. Lender after deducting from such compensation, awards, damages, claims, rights of action and proceeds all its expenses, including attorneys' fees, may apply such net proceeds (except as otherwise provided in Section 1.06.5 of this Mortgage) to payment of Borrower's Liabilities in such order and manner as Lender may elect. Mortgagor agrees to execute such further assignments of any compensation awards, damages, claims, rights of action and proceeds as Lender may require.

1.06.5 Repair; Proceeds of Casualty Insurance and Eminent Domain. If all or any part of the Mortgaged Property shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Section 1.06.4, Mortgagor shall promptly and with all due diligence restore and repair the Mortgaged

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Property whether or not the proceeds, award or other compensation are sufficient to pay the cost of such restoration or repair. At Lender's election, to be exercised by written notice to Mortgagor within thirty (30) days following Lender's unrestricted receipt in cash or the equivalent thereof of said proceeds, award or other compensation, the entire amount of said proceeds, award or compensation shall either (i) be applied to Borrower's Liabilities in such order and manner as Lender may elect or (ii) be made available to Mortgagor on such terms and conditions as Lender may impose, including without limitation the terms and conditions set forth in this Section 1.06.5, for the purpose of financing the cost of restoration or repair with any excess to be applied to Borrower's Liabilities. If the amount of proceeds to be made available to Mortgagor pursuant to this Section 1.06.5 is less than the cost of the restoration or repair as estimated by Lender at any time prior to completion thereof, Mortgagor shall cause to be deposited with Lender the amount of such deficiency within thirty (30) days of Lender's written request therefor (but in no event later than the commencement of the work) and Mortgagor's deposited funds shall be disbursed prior to any such insurance proceeds. If Mortgagor is required to deposit funds under this Section 1.06.5, the deposit of such funds shall be a condition precedent to Lender's obligation to disburse any insurance proceeds held by Lender hereunder. Without limitation of Lender's rights hereunder, it shall be an additional condition precedent to any disbursement of insurance proceeds held by Lender hereunder that Lender shall have approved all plans and specifications for any proposed repair or restoration. The amount of proceeds, award or compensation which is to be made available to Mortgagor, together with any deposits made by Mortgagor hereunder, shall be held by Lender to be disbursed from time to time to pay the cost of repair or restoration either, at Lender's option, to Mortgagor or directly to contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Lender may impose to assure that the work is fully completed in a good and workmanlike manner and paid for and that no liens or claims arise by reason thereof. Lender may commingle any such funds held by it with its other general funds. Lender shall not be obligated to pay interest in respect of any such funds held by it nor shall Mortgagor be entitled to a credit against any of Borrower's Liabilities except and to the extent the funds are applied thereto pursuant to this Section 1.06.5. Notwithstanding any other provision of this Section 1.06.5, if an Event of Default shall be existing at the time of such casualty, taking or other event or if an Event of Default occurs thereafter, Lender shall have the right to immediately apply all insurance proceeds, awards or compensation to the payment of Borrower's Liabilities in such order and manner as Lender may determine. Lender shall have the right at all times to apply such net proceeds to the cure of any Event of Default or the performance of any obligations of Mortgagor or Beneficiary under the Loan Instruments.

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1.06.6 **Proceeds of Business Interruption and Rental Insurance.** The net proceeds of business interruption and rental insurance shall be paid to Lender for application first to Borrower's Liabilities in such order and manner as Lender may elect and then to the creation of reserves for future payments of Borrower's Liabilities in such amounts as Lender deems necessary with the balance to be remitted to Mortgagor subject to such controls as Lender may deem necessary to assure that said balance is used to discharge accrued and to be accrued expenses of operation and maintenance of the Mortgaged Property.

1.06.7 **Renewal of Policies.** At least thirty (30) days prior to the expiration date of any policy evidencing insurance required under this Section 1.06.7, a renewal thereof satisfactory to Lender shall be delivered to Lender or substitution therefor, together with receipts or other evidence of the payment of any premiums then due on such renewal policy or substitute policy.

1.06.8 **Insurance Escrow.** Mortgagor shall, in order to secure the performance and discharge of Mortgagor's obligations under this Section 1.06, but not in lieu of such obligations, deposit with Lender on the first day of each calendar month throughout the term of the Loan, a sum in an amount determined by Lender from time to time by written notice to Mortgagor, in order to accumulate funds sufficient to permit Lender to pay all premiums payable in connection with the insurance required hereunder at least thirty (30) days prior to the date or dates on which they shall become due. Upon demand by Lender, Mortgagor shall deliver to Lender such additional monies as are required to satisfy any deficiencies in the amounts necessary to enable Lender to pay such premiums thirty (30) days prior to the date they shall become due.

1.07 **Non-Impairment of Lender's Rights.** Nothing contained in this Mortgage shall be deemed to limit or otherwise affect any right or remedy of Lender under any provision of this Mortgage or of any statute or rule of law to pay and, upon Mortgagor's failure to pay the same, Lender may pay any amount required to be paid by Mortgagor under Sections 1.04, 1.05 and 1.06. Mortgagor shall pay to Lender on demand the amount so paid by Lender together with interest at the rate then in effect under the Note upon the occurrence of an Event of Default under the Credit Agreement, as determined in accordance with the provisions of Section 2.5(f) thereof (the "Default Rate"), and the amount so paid by Lender shall be added to Borrower's Liabilities. The provisions of Section 1.04.3 are solely for the added protection of Lender and entail no responsibility on Lender's part beyond the allowing of due credit as specifically provided therein. Upon assignment of this Mortgage, any funds on hand shall be turned over to the assignee and, provided the assignee shall assume Lender's responsibilities with respect to such funds, any responsibility of Lender with respect to such funds shall terminate.

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1.08 Care of the Mortgaged Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good and first class condition and repair. Mortgagor shall not, without the prior written consent of Lender, permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the Mortgaged Property or to any part thereof.

(b) Except as otherwise provided in this Mortgage, no new improvements shall be constructed on the Mortgaged Property and no part of the Mortgaged Property shall be removed, demolished or altered in any material manner without the prior written consent of Lender.

1.09 Transfer or Encumbrance of the Mortgaged Property.

Mortgagor shall not permit or suffer to occur any sale, assignment, conveyance, transfer, mortgage, lease (other than leases made in accordance with the provisions of this Mortgage) or encumbrance of, or any contract for any of the foregoing on an installment basis or otherwise pertaining to, the Mortgaged Property, any part thereof, any interest therein, any interest in the beneficial interest in Mortgagor or in any other trust holding title to the Mortgaged Property or any interest in a corporation, partnership or other entity which owns all or part of the Mortgaged Property or such beneficial interest, whether by operation of law or otherwise, without the prior written consent of Lender having been obtained (i) to the sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer and (ii) to the form and substance of any instrument evidencing or contracting for any such sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer. Without limitation of the foregoing, Lender may condition its consent upon any combination of (i) the payment of a fee to be set by Lender, (ii) the increase of the interest rate payable under the Note or the Guaranty, (iii) the shortening of maturity of the Note or the Guaranty and (iv) other modifications of the terms of the Note, the Guaranty or the other Loan Instruments. Mortgagor shall not, without the prior written consent of Lender, further assign or permit to be assigned the rents from the Mortgaged Property, and any such assignment without the prior express written consent of Lender shall be null and void. Mortgagor shall not permit any interest in any lease of the Mortgaged Property to be subordinated to any encumbrance on the Mortgaged Property other than the Loan Instruments and any such subordination shall be null and void. Mortgagor agrees that in the event the ownership of the Mortgaged Property, any interest therein or any part thereof becomes vested in a person other than Mortgagor, Lender may, without notice to Mortgagor, deal in any way with such successor or successors in interest with reference to this Mortgage, the Note, the Guaranty, the Loan Instruments and Borrower's Liabilities without in any way vitiating or discharging Mortgagor's liability hereunder or Borrower's Liabilities. No sale

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of the Mortgaged Property, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the Note, the Guaranty or any other Borrower's Liabilities given by Lender shall operate to release, discharge, modify, change or affect the original liability of Mortgagor, either in whole or in part, except to the extent specifically agreed in writing by Lender. Mortgagor shall not permit the Mortgaged Property or any portion thereof to be submitted to the Condominium Property Act of the State of Illinois by filing a Declaration of Condominium Ownership or otherwise.

1.10 Further Assurances. At any time and from time to time, upon Lender's request, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Lender, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and refiled at such time and in such offices and places as shall be deemed desirable by Lender, any and all such further mortgages, security agreements, financing statements, instruments of further assurance, certificates and other documents as Lender may consider necessary or desirable in order to effectuate or perfect, or to continue and preserve the obligations under, the Note, the Guaranty, this Mortgage, any other Loan Instrument and any instrument evidencing or securing Borrower's Liabilities, and the lien of this Mortgage as a lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor, and unto all and every person or persons deriving any estate, right, title or interest under this Mortgage. Upon any failure by Mortgagor to do so, Lender may make, execute, record, register, file, re-record, re-register or re-file any and all such mortgages, instruments, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Lender the agent and attorney-in-fact of Mortgagor to do so.

1.11 Security Agreement and Financing Statements.

(a) Mortgagor (as debtor) hereby grants to Lender (as creditor and secured party) a security interest under the Uniform Commercial Code in all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever constituting part of the Mortgaged Property. Mortgagor shall execute any and all documents, including without limitation financing statements pursuant to the Uniform Commercial Code, as Lender may request to preserve, maintain and perfect the priority of the first lien and security interest created hereby on property which may be deemed personal property or fixtures, and shall pay to Lender on demand any expenses incurred by Lender in connection with the preparation, execution and filing of any such documents. Mortgagor hereby authorizes and empowers Lender and irrevocably appoints Lender the agent and attorney-in-fact of Mortgagor to execute and file, on Mortgagor's behalf, all financing statements and refilings and continuations thereof as Lender deems necessary or advisable to create, preserve and protect such lien. When and

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if Mortgagor and Lender shall respectively become the debtor and secured party in any Uniform Commercial Code financing statement affecting the Mortgaged Property (or Lender takes possession of personal property delivered by Mortgagor where possession is the means of perfection of the security interest), then, at Lender's sole election, this Mortgage shall be deemed a security agreement as defined in such Uniform Commercial Code, and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or, as to such part of the security which is also reflected in such financing statement, by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code.

(b) Without limitation of the foregoing, if an Event of Default occurs, Lender shall be entitled immediately to exercise all remedies available to it under the Uniform Commercial Code and this Section 1.11. Mortgagor shall, in such event and if Lender so requests, assemble the tangible personal property at Mortgagor's expense, at a convenient place designated by Lender. Mortgagor shall pay all expenses incurred by Lender in the collection of such indebtedness, including reasonable attorneys' fees and legal expenses, and in the repair of any real estate or other property to which any of the tangible personal property may be affixed. If any notification of intended disposition of any of the personal property is required by law, such notification shall be deemed reasonable and proper if given at least ten (10) days before such disposition. Any proceeds of the disposition of any of the personal property may be applied by Lender to the payment of the reasonable expenses of retaking, holding, preparing for sale and selling the personal property, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Lender toward the payment of such of Borrower's liabilities, and in such order of application, as Lender may from time to time elect. If an Event of Default occurs, Lender shall have the right to exercise and shall automatically succeed to all rights of Mortgagor with respect to intangible personal property subject to the security interest granted herein. Any party to any contract subject to the security interest granted herein shall be entitled to rely on the rights of Lender without the necessity of any further notice or action by Beneficiary. Lender shall not by reason of this Mortgage or the exercise of any right granted hereby be obligated to perform any obligation of Mortgagor with respect to any portion of the personal property nor shall Lender be responsible for any act committed by Mortgagor, or any breach or failure to perform by Mortgagor with respect to any portion of the personal property.

(c) Mortgagor and Lender agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing the express declaration and intention of the parties hereto, hereinabove stated, that everything used in connection with the production of income from the Mortgaged

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Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings, legal or equitable, shall be regarded as part of the real estate encumbered by this Mortgage irrespective of whether (i) any such item is physically attached to the Land or Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Lender, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Mortgagor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Mortgaged Property, whether pursuant to lease or otherwise, shall never be construed as in any way altering any of the rights of Lender as determined by this instrument or adversely affecting the priority of Lender's lien granted hereby or by any other recorded document. Any such mention in any such financing statement is declared to be for the protection of Lender in the event any court or judge shall at any time hold with respect to clauses (1), (2) or (3) above, that notice of Lender's priority of interest, to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivisions or entity of the federal government, must be filed in the Uniform Commercial Code records.

1.12 Assignment of Rents.

(a) The assignment of rents, income and other benefits contained in Section (G) of the Granting Clauses shall be fully operative without any further action on the part of either party, and, specifically, Lender shall be entitled, at its option, upon the occurrence of an Event of Default hereunder, to all rents, income and other benefits from the Mortgaged Property, whether or not Lender takes possession of such property. Mortgagor hereby further grants to Lender the right effective upon the occurrence of an Event of Default to do any or all of the following, at Lender's option: (i) enter upon and take possession of the Mortgaged Property for the purpose of collecting the rents, income and other benefits; (ii) dispossess by the usual summary proceedings any tenant defaulting in the payment thereof to Lender; (iii) lease the Mortgaged Property or any part thereof; (iv) repair, restore and improve the Mortgaged Property; and (v) apply the rents, income and other benefits, after payment of certain expenses and capital expenditures relating to the Mortgaged Property, on account of Borrower's Liabilities in such order and manner as Lender may elect. Such assignment and grant shall continue in effect until Borrower's Liabilities are paid in full, the execution of this Mortgage constituting and evidencing the irrevocable consent of Mortgagor to the entry upon and taking possession of the Mortgaged Property by Lender pursuant to such grant, whether or not

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foreclosure proceedings have been instituted. Neither the exercise of any rights under this section by Lender nor the application of any such rents, income or other benefits to payment of Borrower's Liabilities shall cure or waive any Event of Default or notice provided for hereunder, or invalidate any act done pursuant hereto or pursuant to any such notice, but shall be cumulative of all other rights and remedies. Mortgagor and Beneficiary have executed and delivered to Lender an Assignment of Leases and Rents of even date herewith, and, to the extent that the provisions of this Section 1.12 or Section 1.14 are inconsistent with the provisions of said Assignment of Leases and Rents, the provisions of said Assignment of Leases and Rents shall control. Notwithstanding the foregoing, so long as no Event of Default has occurred or is continuing, Mortgagor shall have the right and authority to continue to collect the rents, income and other benefits from the Mortgaged Property as they become due and payable but not more than thirty (30) days prior to the due date thereof. The existence or exercise of such right of Mortgagor to collect said rents, income and other benefits shall not operate to subordinate this assignment to any subsequent assignment of said rents, income or other benefits, in whole or in part, by Mortgagor, and any such subsequent assignment by Mortgagor shall be subject to the rights of Lender hereunder.

(b) Mortgagor shall not permit any rent under any lease of the Mortgaged Property to be collected more than thirty (30) days in advance of the due date thereof and, upon any receiver, Lender, anyone claiming by, through or under Lender or any purchaser at a foreclosure sale coming into possession of the Mortgaged Property, no tenant shall be given credit for any rent paid more than thirty (30) days in advance of the due date thereof. Mortgagor shall act promptly to enforce all available remedies against any delinquent lessee so as to protect the interest of the lessor under the leases and to preserve the value of the Mortgaged Property.

1.13 After-Acquired Property. To the extent permitted by, and subject to, applicable law, the lien of this Mortgage, including without limitation the security interest created under Section 1.11, shall automatically attach, without further act, to all property hereafter acquired by Mortgagor located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Mortgaged Property or any part thereof.

1.14 Leases Affecting Mortgaged Property.

(a) Mortgagor shall comply with and perform in a complete and timely manner all of its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. Mortgagor shall give notice to Lender of any default by the landlord under any lease affecting the Mortgaged Property promptly upon the occurrence of such default, but, in any event, in such time to afford Lender an opportunity to cure any such default prior

to the tenant having any right to terminate the lease. Each of the leases shall contain a provision requiring the tenant to notify Lender of any default by landlord and granting an opportunity for a reasonable time after such notice to cure such default prior to any right accruing to the tenant to terminate such lease. Mortgagor, if requested by Lender, shall furnish promptly to Lender (i) original or certified copies of all such leases now existing or hereafter created, as amended, and (ii) a current rent roll in form reasonably satisfactory to Lender. Lender shall have the right to notify at any time and from time to time any tenant of the Mortgaged Property of any provision of this Mortgage.

(b) The assignment contained in Section (H) of the Granting Clauses shall not be deemed to impose upon Lender any of the obligations or duties of the landlord or Mortgagor provided in any lease, including, without limitation, any liability under the covenant of quiet enjoyment contained in any lease in the event that any tenant shall have been joined as a party defendant in any action to foreclose this Mortgage. Mortgagor hereby acknowledges and agrees that Mortgagor is and will remain liable under such leases to the same extent as though the assignment contained in Section (H) of the Granting Clauses had not been made. Lender disclaims any assumption of the obligations imposed upon the landlord or Mortgagor under the leases, except as to such obligations which arise after such time as Lender shall have exercised the rights and privileges conferred upon it by the assignment contained in Section (H) of the Granting Clauses and assumed full and indefeasible ownership of the collateral thereby assigned. With respect to the assignment contained in Section (H) of the Granting Clauses, Mortgagor shall, from time to time upon request of Lender, specifically assign to Lender as additional security hereunder, by an instrument in writing in such form as may be approved by Lender, all right, title and interest of Mortgagor in and to any and all leases now or hereafter of or affecting the Mortgaged Property or any part thereof together with all security therefor and all monies payable thereunder, subject to the conditional permission hereinabove given to Mortgagor to collect the rentals under such lease. Mortgagor shall also execute and deliver to Lender any notification, financing statement or other document reasonably required by Lender to perfect the foregoing assignment as to any such lease. The provisions of this Section 1.14 shall be subject to the provisions of Section (H) of the Granting Clauses.

1.15 Management of Mortgaged Property. Mortgagor shall cause the Mortgaged Property to be managed at all times in accordance with sound business practice. Mortgagor shall cause the Mortgaged Property to be managed by a competent and reputable managing agent acceptable to Lender pursuant to a management agreement approved by Lender in writing in advance of execution thereof by Mortgagor, Beneficiary or anyone acting on behalf of either of them. Following such approval, Mortgagor shall not permit the management agreement to be terminated (except for good cause after notice to Lender), modified, amended or extended, or

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permit a change in the identity of the management agent, without Lender's prior written consent. Each management agreement shall be subject in all respects to the lien of this Mortgage and the rights of Lender hereunder and each management agreement shall so provide.

1.16 **Execution of Leases.** Mortgagor shall not permit any leases to be made of the Mortgaged Property or existing leases to be modified, terminated, extended or renewed without the prior written consent of Lender.

1.17 **Expenses.** Mortgagor shall pay when due and payable, and otherwise on demand made by Lender, all loan fees, appraisal fees, recording fees, taxes, brokerage fees and commissions, abstract fees, title insurance fees, escrow fees, attorneys' fees, court costs, documentary and expert evidence, fees of inspecting architects and engineers, and all other costs and expenses of every character which have been incurred or which may hereafter be incurred by Lender in connection with any of the following:

(a) The preparation, execution, delivery and performance of the Loan Instruments;

(b) The funding of the Loan;

(c) Any court or administrative proceeding involving Mortgagor, the Mortgaged Property or the Loan Instruments to which Lender is made a party or is subject to subpoena by reason of its being a holder of any of the Loan Instruments, including without limitation bankruptcy, insolvency, reorganization, probate, eminent domain, condemnation, building code and zoning proceedings;

(d) Any court or administrative proceeding or other action undertaken by Lender to enforce any remedy or to collect any indebtedness due under this Mortgage or any of the other Loan Instruments following a default thereunder, including without limitation a foreclosure of this mortgage or a public or private sale under the Uniform Commercial Code;

(e) Any remedy exercised by Lender following an Event of Default including foreclosure of this Mortgage and actions in connection with taking possession of the Mortgaged Property or collecting rents assigned hereby and by the Assignment of Leases and Rents;

(f) Any activity in connection with any request by Mortgagor, Beneficiary or anyone acting on behalf of Mortgagor or Beneficiary that Lender consent to a proposed action which, pursuant to this Mortgage or any of the other Loan Instruments may be undertaken or

consummated only with the prior consent of Lender, whether or not such consent is granted; or

(g) Any negotiation undertaken between Lender and Mortgagor, Beneficiary or anyone acting on behalf of Mortgagor or Beneficiary pertaining to the existence or cure of any default under or the modification or extension of any of the Loan Instruments.

If Mortgagor fails to pay said costs and expenses as above provided, Lender may elect, but shall not be obligated, to pay the costs and expenses described in this Section 1.17, and if Lender does not elect, then Mortgagor will, upon demand by Lender, reimburse Lender for all such expenses which have been or shall be paid or incurred by it. The amounts paid by Lender in respect of such expenses, together with interest thereon at the Default Rate from the date paid by Lender until paid by Mortgagor, shall be added to Borrower's Liabilities, shall be immediately due and payable and shall be secured by the lien of this Mortgage and the other Loan Instruments. In the event of foreclosure hereof, Lender shall be entitled to add to the indebtedness found to be due by the court a reasonable estimate of such expenses to be incurred after entry of the decree of foreclosure. To the extent permitted by law, Mortgagor agrees to hold harmless Lender against and from, and reimburse it for, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses, including without limitation attorneys' fees, which may be imposed upon, asserted against, or incurred or paid by it by reason of or in connection with any bodily injury or death or property damage occurring in or upon or in the vicinity of the Mortgaged Property through any cause whatsoever, or asserted against it on account of any act performed or omitted to be performed hereunder, or on account of any transaction arising out of or in any way connected with the Mortgaged Property, this Mortgage, the other Loan Instruments, any of the indebtedness evidenced by the Note, the Guaranty or any of Borrower's Liabilities.

1.18 Lender's Performance of Mortgagor's Obligations.

If Mortgagor fails to pay any tax, assessment, encumbrance or other imposition, or to furnish insurance hereunder, or to perform any other covenant, condition or term in this Mortgage, the Note, the Guaranty or any other Loan Instrument, Lender may, but shall not be obligated to, pay, obtain or perform the same. All payments made, whether such payments are regular or accelerated payments, and costs and expenses incurred or paid by Lender in connection therewith shall be due and payable immediately. The amounts so incurred or paid by Lender, together with interest thereon at the Default Rate from the date paid by Lender until reimbursed by Mortgagor, shall be added to Borrower's Liabilities and secured by the lien of this Mortgage and the other Loan Instruments. Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any covenant, condition or term that

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Mortgagor has failed to perform or observe, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor. Performance or payment by Lender of any obligation of Mortgagor shall not relieve Mortgagor of such obligation or of the consequences of having failed to perform or pay the same and shall not effect the cure of any Event of Default.

1.19 Payment of Superior Liens. To the extent that Lender, after the date hereof, pays any sum due under any provision of law or instrument or document creating any lien superior or equal in priority in whole or in part to the lien of this Mortgage, Lender shall have and be entitled to a lien on the premises equal in priority with that discharged, and Lender shall be subrogated to and receive and enjoy all rights and liens possessed, held or enjoyed by the holder of such lien, which shall remain in existence and benefit Lender to secure the Note, the Guaranty and all obligations and liabilities secured hereby. Lender shall be subrogated, notwithstanding their release of record, to mortgages, trust deeds, superior titles, vendors' liens, mechanics' and materialmen's liens, charges, encumbrances, rights and equities on the Mortgaged Property to the extent that any obligation under any thereof is paid or discharged with proceeds of disbursements or advances under the Note or other indebtedness secured hereby.

1.20 Books and Records. Mortgagor shall cause Beneficiary to keep and maintain at all times complete, true and accurate books of account and records reflecting the results of the operation of the Mortgaged Property. Mortgagor shall cause Beneficiary to furnish to Lender within ninety (90) days after the end of Beneficiary's fiscal year, financial statements of the Mortgaged Property, Beneficiary and each guarantor of the Loan, including without limitation (i) an operating statement and rent roll pertaining to the Mortgaged Property, (ii) a balance sheet for each guarantor of the Loan and (iii) a balance sheet and income statement for Beneficiary. All balance sheets state annual income and all contingent liabilities. All statements of Beneficiary and statements pertaining to the Mortgaged Property shall be certified by the chief financial officer of Beneficiary as being true, correct and complete. Statements pertaining to each guarantor of the Loan shall be certified by such guarantor as being true, correct and complete. In addition, for each real property asset shown on the balance sheet of any of guarantors, regardless of how such asset is owned by such guarantor, such guarantor shall provide a current statement of cash flow generated by such asset, together with a current operating statement, a current rent roll and a summary of the term of financing for such asset (whether secured or unsecured), including without limitation a statement of the outstanding indebtedness thereon, and such other information as Lender may request. In the event that Mortgagor fails to comply with the requirements set forth above, Lender shall have the right to have Mortgagor's and Beneficiary's books and records audited by an independent certified public accountant, and the cost of such audit shall be the obligation of Mortgagor. Lender and its

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designated agents shall have the right to inspect Mortgagor's and Beneficiary's books and records with respect to the Mortgaged Property at all reasonable times. In the event of a foreclosure of this Mortgage, all of Mortgagor's and Beneficiary's books and records maintained in connection with the Mortgaged Property shall be made available to the successful bidder at the foreclosure sale for inspection and copying for a period of not less than three (3) years following said sale.

1.21 **Estoppel.** Mortgagor, within ten (10) days after written request from Lender, shall furnish a written statement executed by Mortgagor and Beneficiary setting forth the unpaid principal of, and interest on, the Note, the Guaranty, and any other unpaid sums secured hereby, and whether or not any offsets or defenses are claimed to exist against the payment of such principal and interest or other sums and, if any such offsets or defenses are claimed, the specific basis and amount of each such claim. If Mortgagor objects to the principal, interest or escrow amount or the application of any payment shown on any written statement, receipt, invoice or other written notice received by Mortgagor, Beneficiary or any shareholder or officer of Mortgagor or Beneficiary, Mortgagor shall raise such objection by written notice to Lender within ninety (90) days following receipt of such statement, receipt, invoice or other written notice or else such objection shall be deemed waived by Mortgagor and such other parties.

1.22 **Use of the Mortgaged Property.** Mortgagor shall not suffer or permit the Mortgaged Property, or any portion thereof, to be used by the public, as such, without restriction or in such manner as might reasonably tend to impair Mortgagor's title to the Mortgaged Property or any portion thereof, or in such manner as might reasonably make possible a claim or claims of easement by prescription or adverse possession by the public, as such, or of implied dedication of the Mortgaged Property or any portion thereof. Mortgagor shall not use or permit the use of the Mortgaged Property or any portion thereof for any unlawful purpose.

1.23 **Litigation Involving Mortgaged Property.** Mortgagor shall promptly notify Lender of any litigation, administrative procedure or proposed legislative action initiated against Mortgagor, Beneficiary or the Mortgaged Property or in which the Mortgaged Property is directly or indirectly affected including any proceedings which seek to (i) enforce any lien against the Mortgaged Property, (ii) correct, change or prohibit any existing condition, feature or use of the Mortgaged Property, (iii) condemn or demolish the Mortgaged Property, (iv) take, by the power of eminent domain, any portion of the Mortgaged Property or any property which would damage the Mortgaged Property, (v) modify the zoning applicable to the Mortgaged Property, or (vi) otherwise adversely affect the Mortgaged Property. Mortgagor shall initiate or appear in any legal action or other appropriate proceedings when necessary to protect the Mortgaged Property from damage. Mortgagor

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shall, upon written request of Lender, represent and defend the interests of Lender in any proceedings described in this Section 1.23 or, at Lender's election, pay the fees and expenses of any counsel retained by Lender to represent the interest of Lender in any such proceedings.

1.24 Environmental Conditions.

(a) Mortgagor covenants and represents that there are no, nor will there, for so long as any of Borrower's Liabilities remain outstanding, be, any Hazardous Materials (as hereinafter defined) generated, released, stored, buried or deposited over, beneath, in or upon the Mortgaged Property. For purposes of this Mortgage, "Hazardous Materials" shall mean and include any pollutants, flammables, explosives, petroleum (including crude oil) or any fraction thereof, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of toxic or hazardous substances, wastes, or materials under any federal, state or local laws, ordinances, regulations or guidances which regulate, govern, prohibit or pertain to the generation, manufacture, use, transportation, disposal, release, storage, treatment of, or response or exposure to, toxic or hazardous substances, wastes or materials. Such laws, ordinances and regulations are hereinafter collectively referred to as the "Hazardous Materials Laws."

(b) Mortgagor shall, and Mortgagor shall cause all employees, agents, contractors and subcontractors of Mortgagor and any other persons from time to time present on or occupying the Mortgaged Property to, keep and maintain the Mortgaged Property in compliance with, and not cause or knowingly permit the Mortgaged Property to be in violation of, any applicable Hazardous Materials Laws. Neither Mortgagor nor any employees, agents, contractors or subcontractors of Mortgagor or any other persons occupying or present on the Mortgaged Property shall use, generate, manufacture, store or dispose of on, under or about the Mortgaged Property or transport to or from the Mortgaged Property any Hazardous Materials, except as such Hazardous Materials may be required to be used, stored or transported in connection with the permitted uses of the Mortgaged Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor.

(c) Mortgagor shall immediately advise Lender in writing of: (i) any notices received by Mortgagor (whether such notices are from the Environmental Protection Agency, or any other federal, state or local governmental agency or regional office thereof) of the violation or potential violation occurring on or about the Mortgaged Property of any applicable Hazardous Materials Laws; (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any Hazardous Materials Laws; (iii) all claims made or threatened by any third party against Mortgagor or the Mortgaged Property

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relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iv) Mortgagor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could cause the Mortgaged Property or any part thereof to be subject to any Hazardous Materials Claims. Lender shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and Mortgagor shall pay to Lender, upon demand, all reasonable attorneys' and consultants' fees incurred by Lender in connection therewith.

(d) Mortgagor shall be solely responsible for, and shall indemnify and hold harmless Lender, its directors, officers, employees, agents, successors and assigns from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence (whether prior to or during the term of the Loan or otherwise and regardless of by whom caused, whether by Mortgagor or any predecessor in title or any owner of land adjacent to the Mortgaged Property or any other third party, or any employee, agent, contractor or subcontractor of Mortgagor or any predecessor in title or any such adjacent land owner or any third person) of Hazardous Materials on, under or about the Mortgaged Property; including, without limitation: (i) claims of third parties (including governmental agencies) for damages, penalties, losses, costs, fees, expenses, damages, injunctive or other relief; (ii) response costs, clean-up costs, costs and expenses of removal and restoration, including fees of attorneys and experts, and costs of determining the existence of Hazardous Materials and reporting same to any governmental agency; and (iii) any and all expenses or obligations, including reasonable attorneys' fees, incurred at, before and after any trial or appeal therefrom whether or not taxable as costs, including, without limitation, reasonable attorneys' fees, witness fees, deposition costs, copying and telephone charges and other expenses.

(e) Mortgagor hereby represents, warrants and certifies that: (i) the execution and delivery of the Loan Instruments is not a "transfer of real property" under and as defined in the Illinois Responsible Property Transfer Act (Ill. Rev. Stat. Ann. Ch. 30 § 903) ("RPTA"); (ii) there are no underground storage tanks located on, under or about the Mortgaged Property which are subject to the notification requirements under Section 9002 of the Solid Waste Disposal Act, as now or hereafter amended (42 U.S.C. § 6991); and (iii) there is no facility located on or at the Mortgaged Property which is subject to the reporting requirements of Section 312 of the federal Emergency Planning and Community Right to Know Act of 1986 and the federal regulations promulgated thereunder (42 U.S.C. § 11022), as "facility" is defined in RPTA.

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(f) Any loss, damage, cost, expense or liability incurred by Lender as a result of a breach or misrepresentation by Mortgagor or for which Mortgagor is responsible or for which Mortgagor has indemnified Lender shall be paid to Lender on demand, and, failing prompt reimbursement, such amounts shall, together with interest thereon at the Default Rate from the date incurred by Lender until paid by Mortgagor, be added to Borrower's Liabilities, be immediately due and payable and be secured by the lien of this Mortgage and the other Loan Instruments.

(g) Lender may, in its sole discretion, require Mortgagor from time to time to perform or cause to be performed, such studies or assessments of the Mortgaged Property, as Lender may deem necessary or appropriate or desirable, to determine the status of environmental conditions on and about the Mortgaged Property, which such studies and assessments shall be for the benefit of, and be prepared in accordance with the specifications established by, Lender.

(h) Mortgagor hereby grants to Lender, its agents, employees and contractors, access to the Mortgaged Property, from time to time upon prior written notice, for the purpose of either (i) taking such action as Lender shall determine to be appropriate to respond to a release, threatened release, or the presence of Hazardous Materials, or any related condition, on or about the Mortgaged Property; or (ii) conducting such studies or assessments of the Mortgaged Property, as Lender may deem necessary or appropriate or desirable.

ARTICLE TWO

DEFAULTS

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

(a) The failure by Mortgagor: (i) to pay or deposit when due (A) any deposit for taxes and assessments due hereunder within five (5) days after such deposit is due hereunder; or (B) any other sums to be paid by Mortgagor hereunder within five (5) days after such payment is due hereunder; or (ii) to keep, perform or observe any covenant, condition or agreement on the part of Mortgagor in this Mortgage contained in Sections 1.04.1, 1.06.1, 1.06.2 or 1.09 hereof; or (iii) to keep, perform or observe any other covenant, condition or agreement on the part of Mortgagor in this Mortgage and such failure shall continue for thirty (30) days following the delivery of written notice to Mortgagor.

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(b) The occurrence of a default under any of the Loan Instruments not cured within such cure, grace or other period, if any, provided in such Loan Instrument.

(c) The occurrence of an "Event of Default" under and as defined in any of the Loan Instruments.

(d) The untruth of any warranty or representation made herein or in any affidavit or certificate executed by Beneficiary or any person acting on behalf of Beneficiary or Mortgagor in connection with the Loan, the application therefor or the disbursement thereof.

(e) An uninsured loss, damage, destruction or taking by eminent domain or other condemnation proceedings of any substantial portion of the Mortgaged Property or any part of the Mortgaged Property which materially impairs any of the intended uses of the Mortgaged Property.

(f) The appointment of a receiver, trustee or conservator of Mortgagor, Beneficiary, all or any part of the Mortgaged Property or Mortgagor's or Beneficiary's business pertaining to the operation of the Mortgaged Property:

ARTICLE THREE

REMEDIES

3.01 Acceleration of Maturity. If an Event of Default shall have occurred, Lender may declare the outstanding principal amount of the Note and the interest accrued thereon, the Guaranty and any other of Borrower's Liabilities to be immediately due and payable, and upon such declaration such principal and interest and other Borrower's Liabilities declared due shall immediately become and be due and payable without further demand or notice.

3.02 Lender's Power of Enforcement. If an Event of Default shall have occurred, Lender may, either with or without entry or taking possession as provided in this Mortgage or otherwise, and without regard to whether or not Borrower's Liabilities shall have been accelerated, and without prejudice to the right of Lender thereafter to bring an action of foreclosure or any other action for any default existing at the time such earlier action was commenced or arising thereafter, proceed by any appropriate action or proceeding: (a) to enforce payment of the Note, the Guaranty and/or any other of Borrower's Liabilities or the performance of any term hereof or any of the other Loan Instruments; (b) to foreclose this Mortgage and to have sold, as an entirety or in separate lots or parcels, the Mortgaged Property; and (c) to pursue any other remedy available to it. Lender may

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take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Lender may determine. Without limitation of the foregoing, if an Event of Default shall have occurred, as an alternative to the right of foreclosure for the full indebtedness evidenced by the Note and the interest accrued thereon, the Guaranty and any other Borrower's Liabilities, after acceleration thereof, Lender shall have the right to institute partial foreclosure proceedings with respect to the portion of Borrower's Liabilities so in default, as if under a full foreclosure, and without declaring all of Borrower's Liabilities to be immediately due and payable (such proceedings being referred to herein as "partial foreclosure"), and provided that, if Lender has not elected to accelerate all of Borrower's Liabilities and a foreclosure sale is made because of default in payment of only a part of Borrower's Liabilities, such sale may be made subject to the continuing lien of this Mortgage for the unmatured part of Borrower's Liabilities. Any sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the unmatured portion of Borrower's Liabilities, but as to such unmatured portion, this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Lender may elect, at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate Borrower's Liabilities by reason of any Event of Default upon which such partial foreclosure was predicated or by reason of any other defaults, and proceed with full foreclosure proceedings. Lender may proceed with one or more partial foreclosures without exhausting its right to proceed with a full or partial foreclosure sale for any unmatured portion of Borrower's Liabilities, it being the purpose to permit, from time to time a partial foreclosure sale for any matured portion of Borrower's Liabilities without exhausting the power to foreclose and to sell the Mortgaged Property pursuant to any partial foreclosure in respect of any other portion of Borrower's Liabilities, whether matured at the time or subsequently maturing, and without exhausting at any time the right of acceleration and the right to proceed with a full foreclosure.

3.03 Lender's Right to Enter and Take Possession, Operate and Apply Income.

(a) If an Event of Default shall have occurred, (i) Mortgagor, upon demand of Lender, shall forthwith surrender to Lender and cause Beneficiary to surrender to Lender the actual possession of the Mortgaged Property, and if and to the extent permitted by law, Lender itself, or by such officers or agents as it may appoint, is hereby expressly authorized to enter and take possession of all or any portion of the Mortgaged Property and may exclude Mortgagor, Beneficiary and the agents and employees of either or both of them wholly therefrom and shall have joint access with Mortgagor and Beneficiary to the books, papers and accounts of Mortgagor and Beneficiary; and (ii) notwithstanding the

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provisions of any lease or other agreement to the contrary, Mortgagor shall pay monthly in advance to Lender, on Lender's entry into possession, or to any receiver appointed to collect the rents, income and other benefits of the Mortgaged Property, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be in possession of Mortgagor or Beneficiary, or any entity affiliated with or controlled by Mortgagor or Beneficiary, and upon default in any such payment Mortgagor shall, and shall cause Beneficiary to, vacate and surrender possession of such part of the Mortgaged Property to Lender or to such receiver, and in default thereof Mortgagor may be evicted by summary proceedings or otherwise.

(b) If Mortgagor or Beneficiary shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after Lender's demand, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring Mortgagor and Beneficiary to deliver immediate possession of all or part of the Mortgaged Property to Lender, to the entry of which judgment or decree Mortgagor hereby specifically consents. Mortgagor shall pay to Lender, upon demand, all costs and expenses of obtaining such judgment or decree and reasonable compensation to Lender, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(c) Upon every such entering upon or taking of possession, Lender, to the extent permitted by law, may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, and, from time to time:

(i) perform such construction, make all necessary and proper maintenance, repairs, renewals, replacements, additions and improvements thereto and thereon, and purchase or otherwise acquire additional fixtures and personal property;

(ii) insure or keep the Mortgaged Property insured;

(iii) manage and operate the Mortgaged Property and exercise all the rights and powers of Mortgagor, on its behalf or otherwise, with respect to the same;

(iv) enter into agreements with others to exercise the powers herein granted Lender, all as Lender from time to time may determine; and Lender may collect and receive all the rents, income and other benefits of the Mortgaged Property, including those past due as well as those accruing thereafter; and shall apply the monies so received by Lender, in such order and manner as Lender may determine, to (1) the payment of interest, principal and other payments due and payable on the Note or pursuant to the Guaranty, this Mortgage or to any other

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Borrower's Liabilities, (2) deposits for taxes and assessments, (3) the payment or creation of reserves for payment of insurance, taxes, assessments and other proper charges or liens or encumbrances upon the Mortgaged Property or any part thereof, and (4) the compensation, expenses and disbursements of the agents, attorneys and other representatives of Lender; and

(v) exercise such remedies as are available to Lender under the Loan Instruments or at law or in equity.

Lender shall surrender possession of the Mortgaged Property to Mortgagor only when all Borrower's Liabilities shall have been paid in full and all other defaults have been cured. However, the same right to take possession shall exist if any subsequent Event of Default shall occur.

3.04 Leases. Lender is authorized to foreclose this Mortgage subject to the rights, if any, of any or all tenants of the Mortgaged Property, even if the rights of any such tenants are or would be subordinate to the lien of this Mortgage. Lender may elect to foreclose the rights of some subordinate tenants while foreclosing subject to the rights of other subordinate tenants. The failure to make any subordinate tenant a party defendant to any foreclosure proceedings and to foreclose its rights will not be, nor be asserted by Mortgagor, any junior lien holder, any tenant or any other party claiming by, through or under Mortgagor to be, a defense to any such foreclosure proceeding or any other proceedings instituted by Lender to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property. Each lease entered into by Mortgagor subsequent to the date hereof shall provide that, and any tenant under any such lease shall be subject to the following provisions whether or not such lease shall so provide, (i) Lender, at its election, may execute and record an instrument which shall be deemed to cause such lease to be either prior or subordinate (whichever Lender elects) to the lien of this Mortgage, (ii) upon any foreclosure hereof or the acceptance of a deed in lieu of foreclosure, the tenant under any such lease (other than a lease which is subordinate to the lien hereof and which is foreclosed in such foreclosure proceedings) shall attorn to the grantee in the deed or other purchaser at the sale and (iii) the tenant thereunder shall execute and deliver any confirmatory instruments which Lender may request in connection therewith. A failure by any such tenant to comply with any of the foregoing provisions shall constitute a default under such lease. Lender shall be made, constituted and irrevocably appointed as such tenant's attorney-in-fact so to do in the event that tenant shall fail to comply within ten (10) days after written demand from Lender. The omission of any such provision from any such lease or the failure to record any such instrument shall not affect Lender's rights under this Section 3.04.

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3.05 **Purchase by Lender.** Upon any foreclosure sale, Lender may bid for and purchase all or any portion of the Mortgaged Property and, upon compliance with the terms of the sale, may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

3.06 **Application of Foreclosure Sale Proceeds.** The proceeds of any foreclosure sale of the Mortgaged Property or any part thereof received by Lender shall be applied by Lender to the indebtedness secured hereby in such order and manner as Lender may elect in a written notice to Mortgagor given on or before sixty (60) days following confirmation of the sale and, in the absence of such election, first to the expenses of sale, then to expenses including attorneys' fees of the foreclosure proceeding, then to interest and then to principal.

3.07 **Application of Indebtedness Toward Purchase Price.** Upon any foreclosure sale, Lender may apply any or all of the indebtedness and other sums due to Lender under the Note, the Guaranty, this Mortgage or any other Loan Instrument or any other Borrower's Liabilities, or any decree in lieu thereof, toward the purchase price.

3.08 **Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws.** Mortgagor hereby waives any and all rights of redemption. Mortgagor further agrees, to the full extent permitted by law, that in case of an Event of Default, neither Mortgagor nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay or extension laws now or hereafter in force, or take any other action which would prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereof. Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Lender or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety. Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law (Chapter 110, Sections 15-1101 et seq., Illinois Revised Statutes) (herein called the "Act")) or residential real estate (as defined in Section 15-1219 of the Act), and to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under Section 15-1201(b) of the Act.

3.09 **Receiver - Lender in Possession.** If an Event of Default shall have occurred, Lender, to the extent permitted by law

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and without regard to the value of the Mortgaged Property or the adequacy of the security for the indebtedness and other sums secured hereby, shall be entitled as a matter of right and without any additional showing or proof, at Lender's election, to either the appointment by the court of a receiver (without the necessity of Lender posting a bond) to enter upon and take possession of the Mortgaged Property and to collect all rents, income and other benefits thereof and apply the same as the court may direct or to be placed by the court into possession of the Mortgaged Property as lender in possession with the same power herein granted to a receiver and with all other rights and privileges of a lender in possession under law. The right to enter and take possession of and to manage and operate the Mortgaged Property, and to collect all rents, income and other benefits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Lender shall be liable to account only for such rents, income and other benefits actually received by Lender, whether received pursuant to this Section 3.09 or Section 3.03. Notwithstanding the appointment of any receiver or other custodian, Lender shall be entitled as pledgee to the possession and control of any cash, deposits or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to Lender.

3.10 Suits to Protect the Mortgaged Property. Lender shall have the power and authority (but not the duty) to institute and maintain any suits and proceedings as Lender may deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or which violate the terms of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property, or (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Lender's interest.

3.11 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagor or Beneficiary, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amounts due and payable under the Note, the Guaranty, this Mortgage and any other Loan Instrument, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable after such date.

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3.12 Mortgagor to Pay Borrower's Liabilities in Event of Default; Application of Monies by Lender.

(a) Upon occurrence of an Event of Default, Lender shall be entitled to sue for and to recover judgment against Mortgagor for Borrower's Liabilities due and unpaid together with costs and expenses, including, without limitation, the reasonable compensation, expenses and disbursements of Lender's agents, attorneys and other representatives, either before, after or during the pendency of any proceedings for the enforcement of this Mortgage; and the right of Lender to recover such judgment shall not be affected by any taking of possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of Borrower's Liabilities, Lender shall be entitled to enforce all other rights and remedies under the Loan Instruments.

(c) Mortgagor hereby agrees, to the extent permitted by law, that no recovery of any judgment by Lender under any of the Loan Instruments, and no attachment or levy of execution upon any of the Mortgaged Property or any other property of Mortgagor, shall (except as otherwise provided by law) in any way affect the lien of this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of Lender hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before until Borrower's Liabilities are paid in full.

(d) Any monies collected or received by Lender under this Section 3.12 shall be applied to the payment of compensation, expenses and disbursements of the agents, attorneys and other representatives of Lender, and the balance remaining shall be applied to the payment of Borrower's Liabilities, in such order and manner as Lender may elect, and any surplus, after payment of all Borrower's Liabilities, shall be paid to Mortgagor.

3.13 Delay or Omission. No delay or omission of Lender in the exercise of any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to Lender may be exercised from time to time and as often as may be deemed expedient by Lender.

3.14 Waiver of Default. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies in respect thereof. If Lender (a) grants forbearance or an extension of time for the payment of any sums secured hereby,

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(b) takes other or additional security for the payment thereof, (c) waives or does not exercise any right granted in the Note, the Guaranty, this Mortgage or any other Loan Instrument, (d) releases any part of the Mortgaged Property from the lien of this Mortgage or any other Loan Instrument, (e) consents to the filing of any map, plat or replat of the Land, (f) consents to the granting of any easement on the Land, or (g) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change or affect the lien of this Mortgage or any other Loan Instrument or the liability under the Note, the Guaranty or other Loan Instruments of Mortgagor, any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor, except as otherwise expressly provided in an instrument or instruments executed by Lender. Except as otherwise expressly provided in an instrument or instruments executed by Lender, no such act or omission shall preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in case of any Event of Default then existing or of any subsequent Event of Default, nor shall the lien of this Mortgage be altered thereby, except to the extent of any releases as described in clause (d), above, of this Section 3.14.

3.15 Discontinuance of Proceedings; Position of Parties Restored. If Lender shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or such proceedings shall have resulted in a final determination adverse to Lender, then and in every such case Mortgagor and Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender shall continue as if no such proceedings had occurred or had been taken.

3.16 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Lender by the Note, the Guaranty, this Mortgage or any other Loan Instrument or any instrument evidencing or securing Borrower's Liabilities is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Note, the Guaranty, or any other Loan Instrument or any instrument evidencing or securing Borrower's Liabilities, or now or hereafter existing at law, in equity or by statute.

3.17 Interest After Event of Default. If an Event of Default shall have occurred, all sums outstanding and unpaid under the Note, the Guaranty and all other Borrower's Liabilities shall, to the extent permitted by law, bear interest thereafter at the Default Rate until such Event of Default is cured.

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ARTICLE FOUR

MISCELLANEOUS PROVISIONS

4.01 Heirs, Successors and Assigns Included in Parties. Whenever Mortgagor, Lender or Beneficiary is named or referred to herein, heirs and successors and assigns of such person or entity shall be included, and all covenants and agreements contained in this Mortgage shall bind the successors and assigns of Mortgagor and Beneficiary, including any subsequent owner of all or any part of the Mortgaged Property and inure to the benefit of the successors and assigns of Lender. This Section 4.01 shall not be construed to permit an assignment, transfer, conveyance, encumbrance or other disposition otherwise prohibited by this Mortgage.

4.02 Notices. All notices, requests, reports demands or other instruments required or contemplated to be given or furnished under this Mortgage to Mortgagor or Lender shall be directed to Mortgagor or Lender as the case may be at the following addresses:

If to Lender: State Bank of South Australia
461 Fifth Avenue
4th Floor
New York, New York 10017-6202
Attention: Mr. Robin Sewell

with a copy to: Lillick & Charles
Two Embarcadero Center
Suite 2600
San Francisco, California 94111
Attention: Mark Casillas, Esq.

If to Mortgagor: American National Bank
and Trust Company of Chicago,
as Trustee under Trust
No. 112180-05
33 North LaSalle Street
Chicago, Illinois 60600
Attention: Land Trust Department

with a copy to: Baker & McKenzie
One Prudential Plaza
130 East Randolph Drive
Chicago, Illinois 60601
Attention: Mary Milano, Esq.

Any such notices, requests, reports, demands or other instruments shall be (i) personally delivered to the offices set forth above, in which case they shall be deemed delivered on the date of delivery to said offices, (ii) sent by certified mail, return receipt requested, in which case they shall be deemed delivered three (3) business days after deposit in the U.S. mail, postage prepaid, or (iii) sent by air courier (Federal Express or like

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service), in which case they shall be deemed delivered on the date of actual delivery. Either party may change the address to which any such notice, report, demand or other instrument is to be delivered by furnishing written notice of such change to the other party in compliance with the foregoing provisions.

4.03 **Headings.** The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience only, are not to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof.

4.04 **Invalid Provisions.** In the event that any of the covenants, agreements, terms or provisions contained in the Note, the Guaranty, this Mortgage or in any other Loan Instrument shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Note, the Guaranty or in any other Loan Instrument (or the application of the covenant, agreement, term held to be invalid, illegal or unenforceable, to persons or circumstances other than those in respect of which it is invalid, illegal or unenforceable) shall be in no way affected, prejudiced or disturbed thereby.

4.05 **Changes.** Neither this Mortgage nor any term hereof may be released, changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the release, change, waiver, discharge or termination is sought. To the extent permitted by law, any agreement hereafter made by Mortgagor and Lender relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance. Any holder of a lien or encumbrance junior to the lien of this Mortgage shall take its lien subject to the right of Lender to amend, modify or supplement this Mortgage, the Note, the Guaranty or any of the other Loan Instruments, to extend the maturity of Borrower's Liabilities or any portion thereof, to vary the rate of interest chargeable under the Note and to increase the amount of the indebtedness secured hereby, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

4.06 **Governing Law.** This Mortgage shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois.

4.07 **Required Notices.** Mortgagor shall notify Lender promptly of the occurrence of any of the following: (i) receipt of notice from any governmental authority relating to the violation of any rule, regulation, law or ordinance, the enforcement of which would materially and adversely affect the Mortgaged Property; (ii) material default by any tenant in the performance of its obligations under any lease of all or any portion of the Mortgaged

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Property or receipt of any notice from any such tenant claiming that a default by landlord in the performance of its obligations under any such lease has occurred; or (iii) commencement of any judicial or administrative proceedings by or against or otherwise adversely affecting Mortgagor, Beneficiary or the Mortgaged Property.

4.08 Future Advances. This Mortgage is given to secure not only existing indebtedness, but also future advances (whether such advances are obligatory or are to be made at the option of Lender, or otherwise) as are made within twenty (20) years from the date hereof by Lender under the Note, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may increase or decrease from time to time, but all indebtedness secured hereby shall, in no event, exceed five times the aggregate face amount of the Note.

4.09 Release. Upon full payment of Borrower's Liabilities, Lender shall issue to Mortgagor an appropriate release deed in recordable form.

4.10 Attorneys' Fees. Whenever reference is made herein to the payment or reimbursement of attorneys' fees, such fees shall be deemed to include reasonable compensation to staff counsel, if any, of Lender in addition to the fees of any other attorneys engaged by Lender.

4.11 Compliance with Illinois Mortgage Foreclosure Law. In the event that any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act. If any provision of this Mortgage shall grant to Lender any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of said provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

4.12 Exculpatory Provision. This Mortgage is executed by American National Bank and Trust Company of Chicago, not in its individual capacity, but solely as trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such trustee. It is expressly understood and agreed that nothing contained herein or in the Loan Instruments shall be construed as creating any liability on American National Bank and

This Mortgage is executed by the American National Bank and Trust Company of Chicago, 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 said American National Bank and Trust Company of Chicago, hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said note contained shall be construed as creating any liability on the said First Party or on said American National Bank and Trust Company of Chicago personally to pay the said note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, warranty or indemnity 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 the First Party and its successors and said American National Bank and Trust Company of Chicago personally are concerned, the legal holder or holders of said note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said note provided or by action to enforce the personal liability of the guarantor, if any.

IN WITNESS WHEREOF, American National Bank and Trust Company of Chicago, not personally but as Trustee as aforesaid, has caused these presents to be signed by one of its Vice-Presidents, or Assistant Vice-Presidents, and its corporate seal to be hereunto affixed and attested by its Assistant Secretary, the day and year first above written.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO
As Trustee as aforesaid and not personally.

By

Vice-President

ATTEST

Assistant Secretary

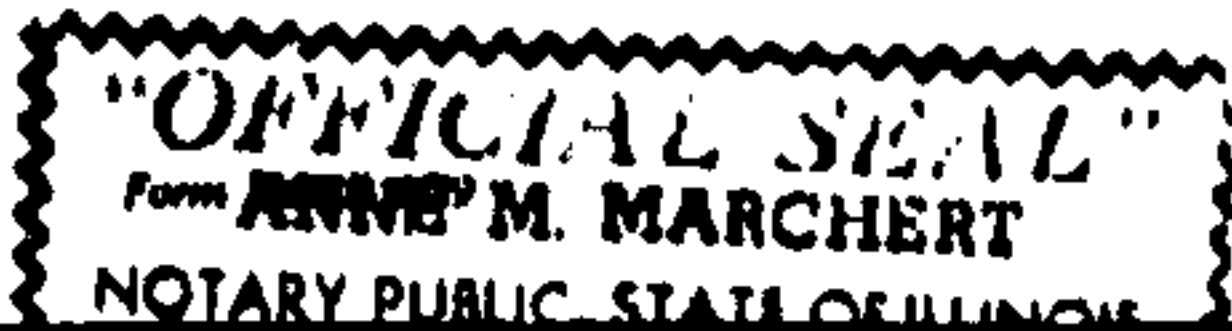
STATE OF ILLINOIS
COUNTY OF COOK

ANNE M. MARCHERT

I, a Notary Public, in and for said County, in the State aforesaid,

DO HEREBY CERTIFY, that Vice-President of the AMERICAN NATIONAL BANK AND TRUST COMPANY of Chicago, and Assistant Secretary of said Company, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice-President, and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Company, as Trustee as aforesaid, for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that he, as custodian of the corporate seal of said Company, did affix the corporate seal of said Company to said instrument as his own free and voluntary act and as the free and voluntary act of said Company, as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this day of A.D. 19.....



.....
Notary Public

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Trust Company of Chicago, in its individual capacity to pay the Note or any interest that may accrue thereon, the Guaranty or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability in its individual capacity, if any, being expressly waived by Lender and by every person now or hereafter claiming any right or security hereunder. So far as Mortgagor and its successors and said American National Bank and Trust Company of Chicago, personally are concerned, the legal holder of the Note, the Guaranty and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed and any rent or proceeds therefrom for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said Note and Guaranty provided or by action to enforce the personal liability of any guarantor of said indebtedness, by action against Beneficiary arising out of a breach of one or more of the other Loan Instruments to which Beneficiary is a party or by the exercise of any remedy available under any of the other Loan Instruments.

4.13 Variable Interest Rate. The interest to be paid by Mortgagor to Lender under the terms of the Note shall be based on a variable rate of interest as more particularly set forth therein.

IN WITNESS WHEREOF, Mortgagor has caused this instrument to be executed by its duly authorized officers as of the day and year first above written.

ATTEST:

AMERICAN NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
not in its individual capacity
but as Trustee under Trust
Agreement dated June 18, 1990
and known as Trust No. 112180-05

Its _____

By _____
Its _____

THIS INSTRUMENT PREPARED BY,
AND AFTER RECORDING RETURN TO:

Craig S. Arnson, Esq.
Goldberg, Kohn, Bell, Black,
Rosenbloom & Moritz, Ltd.
55 East Monroe Street
Suite 3900
Chicago, Illinois 60603

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EXHIBIT A

The Note

Property of Cook County Clerk's Office

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PROMISSORY NOTE

Original Face

Amount: \$12,000,000.

Maker: America National Bank and Trust Company, as Trustee under a Trust Agreement dated as of June 18, 1990, known as Trust No. 112180-05, with Medieval Times Investment, Inc., an Illinois corporation.

Dated as of: June __, 1990.

1. Promise to Repay. FOR VALUE RECEIVED, America National Bank and Trust Company, as Trustee under a Trust Agreement dated as of June 18, 1990, known as Trust No. 112180-05, with Medieval Times Investment, Inc., an Illinois corporation ("Maker"), promises to pay to STATE BANK OF SOUTH AUSTRALIA, an Australian banking corporation ("Bank"), through its New York, New York agent office, or order, the principal sum of Twelve Million Dollars (\$12,000,000) or such lesser amount as shall equal the outstanding amount of the Advances made by Bank to Maker pursuant to Section 2.1 of that certain Credit Agreement, dated as of June 8, 1990 (the "Credit Agreement"), between Maker and the other Borrowers, on the one hand, and Bank, on the other hand.

2. Defined Terms. Any and all initially capitalized terms used herein shall have the meanings ascribed thereto in the Credit Agreement, unless specifically defined herein. This Promissory Note (this "Note") is one of the promissory notes defined in the Credit Agreement as the "Notes" and is subject to, and entitled to the benefits of, the terms and provisions of the Credit Agreement.

3. Payments of Principal and Interest.

(a) Maker hereby promises to make payments of principal and interest, with respect to the Advances evidenced hereby, at the rates and times, and in the amounts, and in all other matters, as provided in the Credit Agreement.

(b) As more fully set forth in the Credit Agreement, Maker shall not be obligated to pay, and the holder of this Note shall not be obligated to charge, collect, receive, reserve, or take interest (it being understood that interest shall be calculated as the aggregate of all charges which constitute interest under applicable law that are contracted for, charged, reserved, received, or paid) in excess of the maximum rate allowed by applicable law.

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4. Prepayments. Maker may not prepay the principal balance due under this Note, in whole or in part, except in accordance with the provisions of the Credit Agreement.

5. Application of Payments. All payments (including prepayments) made hereunder shall be applied as set forth in the Credit Agreement.

6. Time and Place of Payments. All principal and interest due hereunder is payable in immediately available Dollars at Bank's New York main branch located at 461 Fifth Avenue, New York, New York 10017-6202 (or at such other office of Bank as may be designated from time to time in writing by Bank) for the account of Bank, not later than 12 p.m., New York time, on the day of payment.

7. Notations on Schedules. Bank may record the original principal amount of its initial Advance made hereunder on the schedules annexed hereto and made a part hereof, and additional Advances made hereunder and payments of principal and interest with respect thereto may be evidenced by notations made by Bank on such schedules showing the date and the amount of each such Advance, and any payments and prepayments with respect to any such Advance; provided, however, that any failure to make any such notation on such schedules shall in no way affect, impair, or enlarge Maker's obligations with respect to such Advances hereunder.

8. Waivers. Except as set forth in the Credit Agreement, Maker, for itself and its legal representatives, successors, and assigns, expressly waives presentment, protest, demand, notice of dishonor, notice of nonpayment, notice of maturity, notice of intent to accelerate, notice of acceleration, presentment for the purpose of accelerating maturity, and diligence in collection. **MAKER HEREBY WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS NOTE.**

9. Acceleration and Waiver. IT IS EXPRESSLY AGREED THAT, UPON THE OCCURRENCE OF ANY EVENT OF DEFAULT (AS THAT TERM IS DEFINED IN THE CREDIT AGREEMENT), THE UNPAID PRINCIPAL BALANCE OF THIS NOTE, TOGETHER WITH ANY AND ALL UNPAID INTEREST ACCRUED THEREON, SHALL BE DUE AND PAYABLE AS PROVIDED IN THE CREDIT AGREEMENT, WITHOUT PRESENTMENT, DEMAND, PROTEST, OR NOTICE OF PROTEST, OF ANY KIND, ALL OF WHICH ARE HEREBY EXPRESSLY WAIVED.

10. Security. MAKER UNDERSTANDS AND AGREES THAT THIS NOTE IS SECURED BY, AMONG OTHER THINGS, ANY OF THE LIENS (AS THAT TERM IS DEFINED IN THE CREDIT AGREEMENT) GRANTED TO BANK UNDER THE SECURITY AGREEMENTS (AS THAT TERM IS DEFINED IN THE CREDIT AGREEMENT) EXECUTED BY MAKER.

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11. Incorporation. ALL OF THE COVENANTS, CONDITIONS, WARRANTIES, REPRESENTATIONS, AND AGREEMENTS CONTAINED IN THE CREDIT DOCUMENTS (AS THAT TERM IS DEFINED IN THE CREDIT AGREEMENT), OR IN ANY OTHER AGREEMENT BETWEEN MAKER AND BANK WHICH IS EXECUTED IN CONNECTION WITH THE CREDIT AGREEMENT OR THIS NOTE, OR IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREUNDER OR UNDER THE CREDIT AGREEMENT, ARE HEREBY INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART HEREOF.

12. Attorneys' Fees. In the event it should become necessary to employ counsel to collect this Note, Maker agrees to pay the attorneys' fees and costs of the holder hereof, irrespective of whether suit is brought, as provided in the Credit Agreement.

13. Amendments. This Note may not be changed, modified, amended, or terminated except by a writing duly executed by Maker and the holder hereof.

14. Headings. Section headings used in this Note are solely for convenience of reference, shall not constitute a part of this Note for any other purpose, and shall not affect the construction of this Note.

15. Governing Law. THIS NOTE AND ALL TRANSACTIONS CONTEMPLATED HEREUNDER AND/OR EVIDENCED HEREBY SHALL BE GOVERNED BY, CONSTRUED UNDER, AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF CALIFORNIA.

16. Business Loan. Maker represents that the proceeds of the indebtedness evidenced by this Note will be used to further the business purposes and business objectives of Maker in connection with a parcel of real estate owned and operated by it in Schaumburg, Illinois. Maker further represents that the loan evidenced by this Note and secured by the Mortgage executed by Maker is a business purpose loan as the same is defined in Chapter 17, Section 6404(1)(c), Illinois Revised Statutes, and that this loan is a business loan as in such case made and provided.

17. Exculpatory Clause. America National Bank and Trust Company is a party to this instrument, not in its individual capacity but as trustee under a Trust Agreement dated as of June 18, 1990, known as Trust No. 112180-05, with Medieval Times Investment, Inc., an Illinois corporation. Insofar as the liability of Maker is concerned, this instrument is enforceable only against, and any claims hereon are payable only out of, any trust property which may be held thereunder and any rents and proceeds therefrom, but this clause shall not affect Bank's remedies under any of the other Credit Documents. Any and all liability of America National Bank and Trust Company in its

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individual capacity is hereby expressly waived by Bank and its successors and assigns.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first above written.

America National Bank and Trust Company,
as Trustee under a Trust Agreement dated
as of June 18, 1990, known as Trust No.
112180-05, with Medieval Times
Investment, Inc., an Illinois
corporation

By _____
Title: _____

ATTEST:

By _____
Its _____

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PROMISSORY NOTE

Advances and Payment Schedule

<u>Date</u>	<u>Amount of Advance</u>	<u>Amount of Principal Repaid</u>	<u>Notation Made by</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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EXHIBIT B

The Guaranty

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GENERAL CONTINUING GUARANTY

THIS GENERAL CONTINUING GUARANTY ("Guaranty"), dated as of June 25, 1990, is executed and delivered by MEDIEVAL TIMES INVESTMENT, INC., an Illinois corporation ("Guarantor"), in favor of STATE BANK OF SOUTH AUSTRALIA, an Australian banking corporation ("Guarantied Party"), acting by and through its New York, New York agent office, and in light of the following:

WHEREAS, Borrowers and Guarantied Party are, contemporaneously herewith, entering into the Credit Agreement; and

WHEREAS, to induce Guarantied Party to extend financial accommodations to Borrowers pursuant to the Credit Agreement, and in consideration thereof, and in consideration of any loans or other financial accommodations heretofore or hereafter extended by Guarantied Party to Borrowers, whether pursuant to the Credit Agreement or otherwise, Guarantor has agreed to guarantee the Guarantied Obligations.

NOW, THEREFORE, in consideration of the foregoing, Guarantor hereby agrees, in favor of Guarantied Party, as follows:

1. Definitions and Construction.

(a) Definitions. The following terms, as used in this Guaranty, shall have the following meanings:

"Bankruptcy Code" shall mean the Bankruptcy Reform Act of 1978 (11 U.S.C. -- 101-1330), as amended or supplemented from time to time, and any successor statute, and any and all rules issued or promulgated in connection therewith.

"Borrowers" shall mean MEDIEVAL DINNER & TOURNAMENT, INC., a California corporation, and any of its Affiliates added as a Borrower under the Credit Agreement.

"Collateral" shall mean the property or assets described in Section 16.

"Credit Agreement" shall mean that certain Credit Agreement, dated as of even date herewith, among Borrowers and Guarantied Party.

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"Credit Documents" shall have the meaning ascribed thereto in the Credit Agreement.

"Guarantied Obligations" shall mean: (a) the due and punctual payment of the principal of, and interest (including, any and all interest which, but for the application of the provisions of the Bankruptcy Code, would have accrued on such amounts) on, and premium, if any, on the Notes, and (b) the due and punctual payment of all other present or future indebtedness owing by Borrowers to Bank.

"Guarantied Party" shall have the meaning set forth in the preamble to this Guaranty. Any reference to any action or omission of any kind by, or any benefit, obligation, or liability of, "Guarantied Party" shall include any such action or omission by or any such benefit, obligation, or liability of, any or all of the Persons comprising "Guarantied Party," and the successors thereto or assignees thereof.

"Guarantor" shall have the meaning set forth in the preamble to this Guaranty.

"Guaranty" shall have the meaning set forth in the preamble to this document.

"Letter of Credit" shall have the meaning ascribed thereto in the Credit Agreement.

"Notes" shall have the meaning ascribed thereto in the Credit Agreement.

"Obligations" shall have the meaning ascribed thereto in the Credit Agreement.

"Person" shall have the meaning ascribed thereto in the Credit Agreement.

(b) Construction. Unless the context of this Guaranty clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the part includes the whole, the term "including" is not limiting, and the term "or" has the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and other similar terms refer to this Guaranty as a whole and not to any particular provision of this Guaranty. Any reference in this Guaranty to any of the following documents includes any and all alterations, amendments, extensions, modifications, renewals, or supplements thereto or thereof, as applicable: the Credit Documents; the Credit Agreement; this Guaranty; and the Notes. Neither this Guaranty nor any uncertainty or ambiguity herein shall be construed or resolved against Guarantied Party or Guarantor, whether under any rule of construction or otherwise.

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On the contrary, this Guaranty has been reviewed by Guarantor, Guaranteed Party, and their respective counsel, and shall be construed and interpreted according to the ordinary meaning of the words used so as fairly to accomplish the purposes and intentions of Guaranteed Party and Guarantor.

2. Guarantied Obligations. Guarantor hereby irrevocably and unconditionally guaranties to Guaranteed Party, as and for its own debt, until final and indefeasible payment thereof has been made, (a) the due and punctual payment of the Guarantied Obligations, in each case when and as the same shall become due and payable, whether at maturity, pursuant to a mandatory prepayment requirement, by acceleration, or otherwise; it being the intent of Guarantor that the guaranty set forth herein shall be a guaranty of payment and not a guaranty of collection, and (b) the punctual and faithful performance, keeping, observance, and fulfillment by each Borrower of all of the agreements, conditions, covenants, and obligations of Borrowers contained in the Credit Agreement, the Letter of Credit, the Notes, and under each of the other Credit Documents.

3. Continuing Guaranty. This Guaranty includes Guarantied Obligations arising under successive transactions continuing, compromising, extending, increasing, modifying, releasing, or renewing the Guarantied Obligations, changing the interest rate, payment terms, or other terms and conditions thereof, or creating new or additional Guarantied Obligations after prior Guarantied Obligations have been satisfied in whole or in part. To the maximum extent permitted by law, Guarantor hereby waives any right to revoke this Guaranty as to future Indebtedness. If such a revocation is effective notwithstanding the foregoing waiver, Guarantor acknowledges and agrees that (a) no such revocation shall be effective until written notice thereof has been received by Guaranteed Party, (b) no such revocation shall apply to any Guarantied Obligations in existence on such date (including any subsequent continuation, extension, or renewal thereof, or change in the interest rate, payment terms, or other terms and conditions thereof), (c) no such revocation shall apply to any Guarantied Obligations made or created after such date to the extent made or created pursuant to a legally binding commitment of Guaranteed Party in existence on the date of such revocation, (d) no payment by Guarantor, Borrowers, or from any other source, prior to the date of such revocation shall reduce the maximum obligation of Guarantor hereunder, and (e) any payment by any Borrower or from any source other than Guarantor subsequent to the date of such revocation shall first be applied to that portion of the Guarantied Obligations as to which the revocation is effective and which are not, therefore, guarantied hereunder, and to the extent so applied shall not reduce the maximum obligation of Guarantor hereunder.

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4. Performance under this Guaranty. In the event that any Borrower fails to make any payment of any Guaranteed Obligations on or before the due date thereof, or if any Borrower shall fail to perform, keep, observe, or fulfill any other obligation referred to in clause (b) of Section 2 in the manner provided in the Credit Agreement, the Notes, or the other Credit Documents, as applicable, Guarantor immediately shall cause such payment to be made or each of such obligations to be performed, kept, observed, or fulfilled.

5. Primary Obligations. This Guaranty is a primary and original obligation of Guarantor, is not merely the creation of a surety relationship, and is an absolute, unconditional, and continuing guaranty of payment and performance which shall remain in full force and effect without respect to any future changes in conditions, including any change of law or any invalidity or irregularity with respect to the issuance of the Letter of Credit or the Notes. Guarantor agrees that it is directly, jointly and severally with any other guarantor of the Guaranteed Obligations, liable to Guaranteed Party, that the obligations of Guarantor hereunder are independent of the obligations of Borrowers or any other guarantor, and that a separate action may be brought against Guarantor, whether such action is brought against Borrowers or any other guarantor or whether Borrowers are or any such other guarantor is joined in such action. Guarantor agrees that its liability hereunder shall be immediate and shall not be contingent upon the exercise or enforcement by Guaranteed Party of whatever remedies it may have against Borrowers or any other guarantor, or the enforcement of any lien or realization upon any Collateral or other security Guaranteed Party may at any time possess. Guarantor agrees that any release which may be given by Guaranteed Party to any Borrower or any other guarantor shall not release Guarantor. Guarantor consents and agrees that Guaranteed Party shall be under no obligation to marshal any property or assets of any Borrower or any other guarantor in favor of Guarantor, or against or in payment of any or all of the Guaranteed Obligations.

6. Waivers.

(a) Guarantor hereby waives: (i) notice of acceptance hereof; (ii) notice of any loans or other financial accommodations made or extended under the Credit Agreement, or the creation or existence of any Guaranteed Obligations; (iii) notice of the amount of the Guaranteed Obligations, subject, however, to Guarantor's right to make inquiry of Guaranteed Party to ascertain the amount of the Guaranteed Obligations at any reasonable time; (iv) notice of any adverse change in the financial condition of any Borrower or of any other fact that might increase Guarantor's risk hereunder; (v) notice of presentment for payment, demand, protest, and notice thereof as to the Notes or any other instrument; (vi) notice of any

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Unmatured Event of Default or Event of Default under the Credit Agreement; and (vii) all other notices (except if such notice is specifically required to be given to Guarantor under this Guaranty or any other Credit Document to which Guarantor is a party) and demands to which Guarantor might otherwise be entitled.

(b) To the fullest extent permitted by applicable law, Guarantor waives the right by statute or otherwise to require Guarantied Party to institute suit against Borrowers or to exhaust any rights and remedies which Guarantied Party has or may have against Borrowers. In this regard, Guarantor agrees that it is bound to the payment of each and all Guarantied Obligations, whether now existing or hereafter accruing, as fully as if such Guarantied Obligations were directly owing to Guarantied Party by Guarantor. Guarantor further waives any defense arising by reason of any disability or other defense (other than the defense that the Guarantied Obligations shall have been fully and finally performed and indefeasibly paid) of any Borrower or by reason of the cessation from any cause whatsoever of the liability of any Borrower in respect thereof.

(c) To the maximum extent permitted by law, Guarantor hereby waives: (i) any rights to assert against Guarantied Party any defense (legal or equitable), set-off, counterclaim, or claim which Guarantor may now or at any time hereafter have against Borrowers or any other party liable to Guarantied Party; (ii) any defense, set-off, counterclaim, or claim, of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, or enforceability of the Guarantied Obligations or any Collateral or other security therefor; (iii) any defense arising by reason of any claim or defense based upon an election of remedies by Guarantied Party including any defense based upon an election of remedies by Guarantied Party under the provisions of §§ 390d and 726 of the California Code of Civil Procedure, or any similar law of California or any other jurisdiction; (iv) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement thereof, and any act which shall defer or delay the operation of any statute of limitations applicable to the Guarantied Obligations shall similarly operate to defer or delay the operation of such statute of limitations applicable to Guarantor's liability hereunder.

(d) WITHOUT LIMITING THE GENERALITY OF ANY OTHER WAIVER OR OTHER PROVISION SET FORTH IN THIS GUARANTY, GUARANTOR HEREBY WAIVES, TO THE MAXIMUM EXTENT SUCH WAIVER IS PERMITTED BY LAW, ANY AND ALL BENEFITS OR DEFENSES ARISING DIRECTLY OR INDIRECTLY UNDER ANY ONE OR MORE OF CALIFORNIA CIVIL CODE §§ 2799, 2808, 2809, 2810, 2815, 2819, 2820, 2821, 2822, 2838, 2839, 2845, 2848, 2849, AND 2850, CALIFORNIA CODE OF CIVIL

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PROCEDURE §§ 580a, 580b, 580c, 580d, AND 726, AND CHAPTER 2 OF TITLE 14 OF DIVISION 3 OF THE CALIFORNIA CIVIL CODE.

7. Release. Guarantor consents and agrees that, without notice to or by Guarantor and without affecting or impairing the obligations of Guarantor hereunder, Guaranteed Party may, by action or inaction, compromise or settle, extend the period of duration or the time for the payment, or discharge the performance of, or may refuse to, or otherwise not enforce, or may, by action or inaction, release all or any one or more parties to, any one or more of the Credit Agreement, the Letter of Credit, the Notes, or any of the other Credit Documents or may grant other indulgences to Borrowers in respect thereof, or may amend or modify in any manner and at any time (or from time to time) any one or more of the Credit Agreement, the Letter of Credit, the Notes, or any of the other Credit Documents, or may, by action or inaction, release or substitute any other guarantor, if any, of the Guaranteed Obligations, or may enforce, exchange, release, or waive, by action or inaction, any security for the Guaranteed Obligations (including the Collateral) or any other guaranty of the Guaranteed Obligations, or any portion thereof.

8. No Election. Guaranteed Party shall have the right to seek recourse against Guarantor to the fullest extent provided for herein and no election by Guaranteed Party to proceed in one form of action or proceeding or against any party, or on any obligation, shall constitute a waiver of Guaranteed Party's right to proceed in any other form of action or proceeding or against other parties unless Guaranteed Party has expressly waived such right in writing. Specifically, but without limiting the generality of the foregoing, no action or proceeding by Guaranteed Party under any document or instrument evidencing the Guaranteed Obligations shall serve to diminish the liability of Guarantor under this Guaranty except to the extent that Guaranteed Party finally and unconditionally shall have realized indefeasible payment by such action or proceeding.

9. Indefeasible Payment. The Guaranteed Obligations shall not be considered indefeasibly paid for purposes of this Guaranty unless and until all payments to Guaranteed Party are no longer subject to any right on the part of any person whomsoever, including Borrowers, any Borrower as a debtor in possession, or any trustee (whether appointed under the Bankruptcy Code or otherwise) of such Borrower's assets to invalidate or set aside such payments or to seek to recoup the amount of such payments or any portion thereof, or to declare same to be fraudulent or preferential. Upon such full and final performance and indefeasible payment of the Guaranteed Obligations whether by Guarantor or Borrowers, Guaranteed Party shall mark the Notes paid in full and shall have no obligation whatsoever to transfer or assign its interest in the Notes to Guarantor. In the event that, for any reason, all or any portion of such payments to

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Guarantied Party is set aside or restored, whether voluntarily or involuntarily, after the making thereof, the obligation or part thereof intended to be satisfied thereby shall be revived and continued in full force and effect as if said payment or payments had not been made and Guarantor shall be liable for the full amount Guarantied Party is required to repay plus any and all costs and expenses (including attorneys' fees) paid by Guarantied Party in connection therewith.

10. Financial Condition of Borrowers. Guarantor represents and warrants to Guarantied Party that it is currently informed of the financial condition of Borrowers and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of nonpayment of the Guarantied Obligations. Guarantor further represents and warrants to Guarantied Party that it has read and understands the terms and conditions of the Credit Agreement, the Notes, and the other Credit Documents. Guarantor hereby covenants that it will continue to keep itself informed of Borrowers' financial condition, the financial condition of the other guarantors, if any, and of all other circumstances which bear upon the risk of nonpayment or nonperformance of the Guarantied Obligations.

11. Subordination. Guarantor hereby agrees that any and all present and future indebtedness of Borrowers owing to Guarantor is postponed in favor of and subordinated to payment, in full, in cash, of the Guarantied Obligations. In this regard, no payment of any kind whatsoever shall be made with respect to such indebtedness until the Guarantied Obligations have been indefeasibly paid in full. Guarantor hereby further agrees that it will not enforce any right to any payment by way of subrogation or contribution until the Guarantied Obligations are paid in full.

12. Payments; Application. All payments to be made hereunder by Guarantor shall be made in lawful money of the United States of America at the time of payment, shall be made in immediately available funds, and shall be made without deduction (whether for taxes or otherwise) or offset. All payments made by Guarantor hereunder shall be applied as follows: first, to all costs and expenses (including attorneys' fees) incurred by Guarantied Party in enforcing this Guaranty or in collecting the Guarantied Obligations; second, to all accrued and unpaid interest, premium, if any, and fees owing to Guarantied Party constituting Guarantied Obligations; and third, to the balance of the Guarantied Obligations.

13. Attorneys' Fees and Costs. Guarantor agrees to pay, on demand, all attorneys' fees and all other costs and expenses which may be incurred by Guarantied Party in the enforcement of this Guaranty or in any way arising out of, or consequential to the protection, assertion, or enforcement of the Guarantied

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Obligations (or any security therefor), irrespective of whether suit is brought.

14. Notices. All notices or demands by Guarantor or by Guaranteed Party to the other and relating to this Guaranty shall be made in the manner, and with respect to Guaranteed Party to the address, specified in Section 8.1 of the Credit Agreement, and with respect to Guarantor to the address specified on the signature page of this Guaranty.

15. Cumulative Remedies. No remedy under this Guaranty, under the Credit Agreement, the Notes, or any Credit Document is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and in addition to any and every other remedy given under this Guaranty, under the Credit Agreement, the Notes, or any Credit Document, and those provided by law. No delay or omission by Guaranteed Party to exercise any right under this Guaranty shall impair any such right nor be construed to be a waiver thereof. No failure on the part of Guaranteed Party to exercise, and no delay in exercising, any right under this Guaranty shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Guaranty preclude any other or further exercise thereof or the exercise of any other right.

16. Collateral. The obligations of Guarantor under this Guaranty are secured as provided for in that certain Security Agreement, executed by Guarantor, dated as of even date herewith.

17. Severability of Provisions. Any provision of this Guaranty which is prohibited or unenforceable under applicable law, shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

18. Entire Agreement; Amendments. This Guaranty constitutes the entire agreement between Guarantor and Guaranteed Party pertaining to the subject matter contained herein. This Guaranty may not be altered, amended, or modified, nor may any provision hereof be waived or noncompliance therewith consented to, except by means of a writing executed by both Guarantor and Guaranteed Party. Any such alteration, amendment, modification, waiver, or consent shall be effective only to the extent specified therein and for the specific purpose for which given. No course of dealing and no delay or waiver of any right or default under this Guaranty shall be deemed a waiver of any other, similar or dissimilar, right or default or otherwise prejudice the rights and remedies hereunder.

19. Successors and Assigns. This Guaranty shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of Guaranteed Party;

provided, however, Guarantor shall not assign this Guaranty or delegate any of its duties hereunder without Guarantied Party's prior written consent and any unconsented to assignment shall be absolutely void. In the event of any assignment or other transfer of rights by Guarantied Party, the rights and benefits herein conferred upon Guarantied Party shall automatically extend to and be vested in such assignee or other transferee.

20. Choice of Law and Venue; Service of Process. THE VALIDITY OF THIS GUARANTY, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF GUARANTOR AND GUARANTIED PARTY, SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST GUARANTOR WITH RESPECT TO THIS GUARANTY MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF CALIFORNIA, AND BY EXECUTION AND DELIVERY OF THIS GUARANTY GUARANTOR ACCEPTS, FOR ITSELF AND IN CONNECTION WITH ITS ASSETS, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY FINAL JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS GUARANTY FROM WHICH NO APPEAL HAS BEEN TAKEN OR IS AVAILABLE. GUARANTOR IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO ITS NOTICE ADDRESS SPECIFIED HEREIN, SUCH SERVICE TO BECOME EFFECTIVE UPON RECEIPT. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF GUARANTIED PARTY TO BRING PROCEEDINGS AGAINST GUARANTOR IN THE COURTS OF ANY OTHER JURISDICTION.

21. Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY LAW, GUARANTOR HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY ACTION, CAUSE OF ACTION, CLAIM, DEMAND, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS GUARANTY, OR IN ANY WAY CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE DEALINGS OF GUARANTOR AND GUARANTIED PARTY WITH RESPECT TO THIS GUARANTY, OR THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND IRRESPECTIVE OF WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, GUARANTOR HEREBY AGREES THAT ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, DEMAND, OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT GUARANTIED PARTY MAY FILE AN ORIGINAL COUNTERPART OF THIS SECTION WITH ANY COURT OR OTHER TRIBUNAL AS WRITTEN EVIDENCE OF THE CONSENT OF GUARANTOR TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

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IN WITNESS WHEREOF, the undersigned has executed and delivered this Guaranty as of the date first above written.

Medieval Times Investment, Inc., an Illinois corporation

By _____
Title: _____

Address:

c/o Medieval Dinner & Tournament,
Inc.
7662 Beach Boulevard
Buena Park, California 90622
Attention: Mr. Kenneth H. Kim
Telephone: 714-521-4740
Telefax: 714-670-2721

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EXHIBIT C

The Land

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EXHIBIT "C"

PARCEL 1:

THAT PART OF FRACTIONAL SECTION 3, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING ON THE NORTH LINE OF SAID SECTION 3, AT A POINT 574.62 FEET WEST OF THE CENTER LINE OF SAID SECTION 3; THENCE NORTH 89 DEGREES 53 MINUTES 16 SECONDS EAST ALONG SAID NORTH LINE, A DISTANCE OF 875.15 FEET TO A POINT ON THE EAST LINE OF ROSKILL ROAD AS WIDENED FOR HIGHWAY PURPOSES ACCORDING TO DOCUMENT NUMBER 121736777, REGISTERED MAY 7, 1957, SAID POINT BEING THE PLACE OF BEGINNING; THENCE CONTINUING NORTH 89 DEGREES 53 MINUTES 16 SECONDS EAST ALONG SAID NORTH LINE, A DISTANCE OF 150.00 FEET; THENCE SOUTHEASTERLY ALONG A CURVE CONCAVE TO THE SOUTH WEST, HAVING A RADIUS OF 287.00 FEET, AN ARC DISTANCE OF 85.07 FEET TO A POINT OF TANGENCY, THE CHORD OF SAID ARC HAVING A LENGTH OF 84.74 FEET AND A BEARING OF SOUTH 60 DEGREES 06 MINUTES 15 SECONDS EAST; THENCE NORTH 51 DEGREES 36 MINUTES 44 SECONDS EAST 212.94 FEET; THENCE NORTH 89 DEGREES 53 MINUTES 16 SECONDS EAST, PARALLEL TO THE NORTH LINE OF SAID SECTION 3, A DISTANCE OF 480.02 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 186.93 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH 20 ACRES OF THE WEST 1/2 OF THE EAST 1/2 OF SAID FRACTIONAL SECTION 3; THENCE SOUTH 86 DEGREES 11 MINUTES 51 SECONDS WEST ALONG SAID NORTH LINE, A DISTANCE OF 659.75 FEET; THENCE NORTH 14 DEGREES 34 MINUTES 42 SECONDS WEST, 325.94 FEET TO A LINE WHICH IS PARALLEL WITH AND 50 FEET SOUTH OF SAID NORTH LINE OF SAID SECTION 3; THENCE SOUTH 89 DEGREES 53 MINUTES 16 SECONDS WEST ALONG SAID PARALLEL LINE, A DISTANCE OF 150.00 FEET TO THE EAST LINE OF ROSKILL ROAD AS WIDENED FOR HIGHWAY PURPOSES ACCORDING TO SAID DOCUMENT NUMBER 121736777; THENCE NORTH 30 DEGREES 55 MINUTES 48 SECONDS EAST ALONG SAID EAST LINE, A DISTANCE OF 58.34 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF FRACTIONAL SECTION 3, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING ON THE NORTH LINE OF SAID SECTION 3, AT A POINT 574.62 FEET WEST OF THE CENTER LINE OF SAID SECTION 3; THENCE NORTH 29 DEGREES 53 MINUTES 16 SECONDS EAST ALONG SAID NORTH LINE, A DISTANCE OF 982.16 FEET; THENCE SOUTH 14 DEGREES 34 MINUTES 42 SECONDS EAST 417.58 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH 20 ACRES OF THE WEST 1/2 OF THE EAST 1/2 OF SAID FRACTIONAL SECTION 3, SAID POINT BEING THE POINT OF BEGINNING; THENCE NORTH 86 DEGREES 11 MINUTES 51 SECONDS EAST ALONG SAID NORTH LINE, A DISTANCE OF 659.75 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 32.59 FEET TO A POINT ON THE SOUTH LINE OF SAID NORTH 1 ACRE OF SAID SOUTH 20 ACRES; THENCE SOUTH 86 DEGREES 11 MINUTES 51 SECONDS WEST ALONG SAID SOUTH LINE, A DISTANCE OF 651.40 FEET; THENCE NORTH 14 DEGREES 34 MINUTES 42 SECONDS WEST, 33.10 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THAT PART OF FRACTIONAL SECTION 3 AND THAT PART OF THE NORTH WEST 1/4 OF THE NORTH EAST 1/4 OF SECTION 10, BOTH IN TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING ON THE NORTH LINE OF SAID SECTION 3, AT A POINT 574.62 FEET WEST OF THE CENTER LINE OF SAID SECTION 3; THENCE NORTH 89 DEGREES 53 MINUTES 16 SECONDS EAST ALONG SAID NORTH LINE, A DISTANCE OF 875.15

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FEET TO A POINT ON THE EAST LINE OF ROSELLE ROAD AS WIDENED FOR HIGHWAY PURPOSES ACCORDING TO DOCUMENT NUMBER LR1736777, REGISTERED MAY 7, 1957; THENCE CONTINUING NORTH 89 DEGREES 53 MINUTES 16 SECONDS EAST ALONG SAID NORTH LINE, A DISTANCE OF 107.01 FEET; THENCE SOUTH 14 DEGREES 34 MINUTES 42 SECONDS EAST 51.64 FEET TO THE PLACE OF BEGINNING; THENCE CONTINUING SOUTH 16 DEGREES 34 MINUTES 42 SECONDS EAST, 399.04 FEET TO THE SOUTH LINE OF THE NORTH 1 ACRE OF THE SOUTH 20 ACRES OF THE WEST 1/2 OF THE EAST 1/2 OF SAID FRACTIONAL SECTION 3; THENCE NORTH 66 DEGREES 11 MINUTES 51 SECONDS EAST ALONG SAID SOUTH LINE 451.40 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS EAST, 742.87 FEET TO A POINT ON A LINE WHICH IS PARALLEL WITH AND 64.00 FEET NORTHEASTERLY OF THE NORTHEASTERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY, KNOWN AS INTERSTATE 90, (AS DESCRIBED IN DOCUMENT 17907142); THENCE NORTH 64 DEGREES 22 MINUTES 13 SECONDS WEST, 193.77 FEET ALONG A LINE WHICH FORMS A DEFLECTION ANGLE OF 14 DEGREES 38 MINUTES 52 SECONDS TO THE RIGHT WITH SAID PARALLEL LINE; THENCE NORTH 70 DEGREES 48 MINUTES 51 SECONDS WEST, 308.04 FEET ALONG A LINE WHICH FORMS A DEFLECTION ANGLE OF 4 DEGREES 28 MINUTES 38 SECONDS TO THE LEFT WITH THE EXTENSION OF THE LAST DESCRIBED LINE; THENCE NORTH 72 DEGREES 10 MINUTES 00 SECONDS WEST, 371.63 FEET ALONG A LINE WHICH FORMS A DEFLECTION ANGLE OF 2 DEGREES 21 MINUTES 09 SECONDS TO THE LEFT WITH THE EXTENSION OF THE LAST DESCRIBED LINE; THENCE NORTH 8 DEGREES 42 MINUTES 27 SECONDS WEST ALONG A LINE WHICH FORMS A DEFLECTION ANGLE OF 63 DEGREES 27 MINUTES 33 SECONDS TO THE RIGHT WITH THE EXTENSION OF THE LAST DESCRIBED LINE, A DISTANCE OF 132.92 FEET TO THE EAST LINE OF ROSELLE ROAD AS GRANTED ACCORDING TO WARRANTY DEED RECORDED MARCH 19, 1980 ACCORDING TO DOCUMENT NUMBER 25395979; THENCE NORTH 0 DEGREES 00 MINUTES 40 SECONDS EAST ALONG SAID EAST LINE, A DISTANCE OF 336.69 FEET TO A POINT ON THE EAST LINE OF ROSELLE ROAD AS WIDENED FOR HIGHWAY PURPOSES ACCORDING TO SAID DOCUMENT NUMBER LR1736777; THENCE NORTHEASTERLY ALONG SAID EAST LINE, SAID LINE BEING A CURVE CONCAVE TO THE SOUTH EAST HAVING A RADIUS OF 1,098.65 FEET, AN ARC DISTANCE OF 213.02 FEET TO A POINT OF TANGENCY, THE CIRCLE OF SAID ARC HAVING A LENGTH OF 212.68 FEET AND A BEARING OF NORTH 25 DEGREES 22 MINUTES 32 SECONDS EAST; THENCE NORTH 30 DEGREES 55 MINUTES 48 SECONDS EAST, 76.78 FEET; THENCE NORTH 89 DEGREES 53 MINUTES 16 SECONDS EAST ALONG A LINE WHICH IS PARALLEL WITH THE NORTH LINE OF SAID SECTION 3, A DISTANCE OF 150.00 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

EASEMENT APPURTENANT TO AND FOR THE BENEFIT OF PARCELS 1, 2 AND 3 AFORESAID, AS CREATED BY INSTRUMENT REGISTERED JULY 24, 1985 AS DOCUMENT NUMBER LR3450966 OVER AND UPON THAT PORTION OF THE NORTH 50 FEET OF THAT PART OF FORMER CENTRAL ROAD VACATED BY ORDINANCE PASSED BY THE COUNTY BOARD, COUNTY OF COOK, RECORDED MAY 9, 1983 AS DOCUMENT 26597951, LYING BETWEEN THE EASTERLY LINE OF LAND CONVEYED TO THE ILLINOIS STATE TOLL HIGHWAY COMMISSION ACCORDING TO WARRANTY DEED REGISTERED MAY 7, 1957 AS DOCUMENT LR1736777, AND A LINE PERPENDICULAR TO THE CENTER LINE OF SAID VACATED CENTRAL ROAD 150 FEET EAST OF (AS MEASURED ON SAID CENTER LINE OF SAID VACATED CENTRAL ROAD), THE AFORESAID EASTERLY LINE OF LAND CONVEYED TO ILLINOIS STATE TOLL HIGHWAY COMMISSION IN THE SOUTH WEST 1/4 OF SECTION 33, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN FOR INCHES AND DEGREES, IN COOK COUNTY, ILLINOIS.

ADDRESS: Northeast Corner of Roselle Road and Northwest Tollway, Schaumburg, IL

PIN: 07-03-200-009
07-03-200-010
07-03-200-013
07-03-200-015
07-03-200-018

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EXHIBIT D

Permitted Encumbrances

Property of Cook County Clerk's Office

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EXHIBIT "D"

PERMITTED ENCUMBRANCES

1. General Real Estate Taxes for the years 1989 and subsequent years not yet due and payable for the following Permanent Index Numbers:

07-03-200-009
07-03-200-010
07-03-200-013
07-03-200-015
07-03-200-018

2. NOTE: THE TITLE TO THE LAND HAS BEEN REGISTERED UNDER AN ACT CONCERNING LAND TITLES, KNOWN AS THE TORRENS ACT. ALL ENCUMBRANCES AFFECTING SUCH TITLE SUBSEQUENT TO THE DATE HEREON MUST BE FILED IN THE OFFICE OF THE REGISTRAR OF TITLES.

(AFFECTS PARCEL 1 AND PART OF PARCEL 3 AND PARCEL 4).

3. PERPETUAL EASEMENT FOR INGRESS AND EGRESS UPON AND OVER THE HEREAFTER DESCRIBED LAND AS SET FORTH IN AGREEMENT OF GRANTS OF MUTUAL EASEMENTS DATED JUNE 28, 1982 AND REGISTERED JULY 29, 1982 AS DOCUMENT LB3450904 BY AND BETWEEN THE CATHOLIC BISHOP OF CHICAGO, A CORPORATION SOLE, AND WILKITT, INC., A CORPORATION OF NEW JERSEY, AND THE TERMS, PROVISIONS AND CONDITIONS THEREIN CONTAINED:

THAT PORTION OF THE SOUTH 30 FEET OF THAT PART OF FORMER CENTRAL ROAD VACATED BY ORDINANCE PASSED BY THE COUNTY BOARD, COUNTY OF COOK, RECORDED MAY 9, 1982 AS DOCUMENT NUMBER 2639755, LYING BETWEEN THE EASTERLY LINE OF LAND CONVEYED TO THE ILLINOIS STATE TOLL HIGHWAY COMMISSION ACCORDING TO THE WARRANT DEED REGISTERED MAY 7, 1957 AS DOCUMENT LB1736777 AND A LINE PERPENDICULAR TO THE CENTER LINE OF SAID VACATED CENTRAL ROAD 150 FEET EAST OF (AS MEASURED ON SAID CENTER LINE OF SAID VACATED CENTRAL ROAD) THE AFORESAID EASTERLY LINE OF LAND CONVEYED TO ILLINOIS STATE TOLL HIGHWAY COMMISSION IN THE WEST 1/2 OF THE EAST 1/2 OF FRACTIONAL SECTION 3, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(AFFECTS THE PORTION OF THE NORTH 30 FEET OF PARCEL 1 DESCRIBED ABOVE).

4. TERMS, PROVISIONS AND CONDITIONS CONTAINED IN THE INSTRUMENT CREATING THE EASEMENT OVER PARCEL 4, REGISTERED JULY 29, 1982 AS DOCUMENT LB3450904.

(AFFECTS PARCEL 4).

5. A PERPETUAL EASEMENT FOR THE PURPOSE OF CONSTRUCTION, OPERATION AND MAINTAINING A SLOPE FOR AN INTERCHANGE IMPROVEMENT AT THE NORTHEAST TOLLWAY AND ROSELLE ROAD IN, ON, OVER, ABOVE AND UNDER THE HEREAFTER DESCRIBED LAND AS SET FORTH IN GRANT OF PERMANENT SLOPE EASEMENT DATED JULY 10, 1985 AND REGISTERED ON JULY 29, 1985 AS DOCUMENT LB3450905 BY WILKITT, INC., A CORPORATION OF NEW

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JENNEY, TO THE COUNTY OF COOK, A BODY POLITICAL AND CORPORATE OF THE STATE OF ILLINOIS;

THESE PART OF THE EAST 1/2 OF SECTION 3, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHEASTLY LINE OF THE FOREMONT TOLLWAY, AS DESCRIBED IN DOCUMENT NUMBER 179671AS WITH THE EASTERLY LINE OF HOWELL ROAD AS GRANTED ACCORDING TO WARRANTY DEED RECORDED MARCH 19, 1960 AS DOCUMENT NUMBER 2838878; THENCE NORTH ALONG THE SAID EAST LINE OF HOWELL ROAD 661.51 FEET TO THE PLACE OF BEGINNING; THENCE CONTINUING NORTH ALONG SAID EAST LINE, A DISTANCE OF 70.0 FEET TO A POINT ON THE EAST LINE OF HOWELL ROAD AS WITNESSED ACCORDING TO TOWNSHIP DOCUMENT ERI736777, REGISTERED MAY 7, 1957; THENCE NORTHEASTWARD ALONG SAID EAST LINE OF HOWELL ROAD; SAID LINE BEING A CURVE, POWER TO THE NORTH WEST, HAVING A RADIUS OF 1,098.65 FEET; AN A/B DISTANCE OF 170.70 FEET TO A POINT; THENCE SOUTHWESTWARD, A DISTANCE OF 296.11 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

(AFFECTS THE PORTION OF PARCEL 3 DESCRIBED ABOVE).

6.

TERMS, POWERS, PROVISIONS AND LIMITATIONS OF THE TRUST UNDER WHICH TITLE TO SAID LAND IS HELD.

COOK COUNTY RECORDER

9448 # * -50-305780

DEPT-01 RECORDING 1#2222 TRAN 0178 06/26/90 16:07:00 \$72.00

Mail to Box 333

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