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THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:

92256259

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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (which, together with any amendments and supplements hereto, is hereinafter referred to as the "Mortgage") is granted this 10th day of April, 1992, by M.B. WALTON, INC., a Delaware corporation (the "Grantor"), for the benefit of CITIBANK, N.A. (the "Lender").

WITNESSETH:

ARTICLE I

DEFINITIONS; GRANT

1.1 Definitions. As used herein, the following terms shall have the meanings indicated:

Act: See Section 9.2.

Additional Mortgaged Property: See Section 3.9.

Bankruptcy Laws: Title 11 of the United States Code and any other federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization of individuals or business entities and their assets.

Base Rate: A fluctuating interest rate per annum which shall at all times be equal to the higher of (a) the rate of interest announced publicly by the Lender in New York, New York, from time to time, as the Lender's base rate; or (b) the sum (adjusted to the nearest 1/4 of one percent or, if there is no nearest 1/4 of one percent, to the next higher 1/4 of one percent) of (i) 1/2 of one percent per annum, plus (ii) the rate per annum obtained by dividing (A) the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average being determined weekly on each Monday (or, if any such date is not a Business Day, on the next succeeding Business Day) for the three-week period ending on the previous Friday by the Lender on the basis of such rates reported by

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certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be suspended or terminated, on the basis of quotations for such rates received by the Lender from three New York certificate of deposit dealers of recognized standing selected by the Bank, by (B) a percentage equal to 100% minus the average of the daily percentages specified during such three-week period by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, but not limited to, any emergency, supplemental or other marginal reserve requirement) for the Lender in respect of liabilities consisting of or including (among other liabilities) three-month U.S. dollar nonpersonal time deposits in the United States, plus (iii) the average during such three-week period of the annual assessment rates estimated by the Lender for determining the then current annual assessment payable by the Lender to the Federal Deposit Insurance Corporation (or any successor) for insuring U.S. dollar deposits of the Lender in the United States.

Bridge Note: See Section 2.1(b).

Business Day: Any day on which federal banking institutions are generally open for regular banking business in the State of New York.

Contract Rights: See Section 3.8.

Credit Agreement: That certain Secured Credit Agreement of even date herewith by and among Grantor, Guarantor, and Lender.

Default Rate: An interest rate equal to the lesser of (i) the maximum legal interest rate which may be contracted for, charged, taken, received or reserved under New York or United States federal law (whichever provides for the highest permitted rate), taking into account all items contracted for, charged or received in connection with the indebtedness evidenced by the Note which are treated as interest under New York or federal law, as such rate may change from time to time, and (ii) the Base Rate plus five percent (5%) per annum.

Deferred Condition Precedent: See Section 8.14.

Event of Default: See Article VIII.

Fixtures: See Section 3.3.

Grantor: See the Preamble hereof.

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Guarantor (individually and/or collectively, as the context may require): Arthur P. Frigo and/or any other person or entity who executes a Guaranty.

Guaranty (individually and/or collectively, as the context may require): That or those instruments of guaranty, now or hereafter in effect, from any person or entity to Lender guaranteeing the repayment of all or any part of the Indebtedness or the satisfaction of, or continued compliance with, any of the Obligations, or both, together with any amendments, renewals or replacements thereof.

Impositions: (i) All real estate and personal property taxes, charges, assessments, excises, levies and any interest, costs or penalties with respect thereto, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which at any time prior to or after the execution hereof may be assessed, levied or imposed upon the Mortgaged Property or the ownership, use, occupancy or enjoyment thereof, or any portion thereof, or the sidewalks, streets or alleyways adjacent thereto; (ii) any charges, fees, license payments or other sums payable for any easement, license or agreement maintained for the benefit of the Mortgaged Property; and (iii) water, gas, sewer, electricity, telephone and other utility charges and fees.

Improvements: See Section 3.2.

Indebtedness: See Section 2.1.

Land: See Section 3.1.

Leases: See Section 3.5.

Legal Requirements: (i) Any and all present and future judicial decisions, statutes, rulings, rules, regulations, permits, certificates or ordinances of any governmental authority in any way applicable to Grantor, any Guarantor or the Mortgaged Property, including, without limiting the generality of the foregoing, the ownership, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction thereof; (ii) any and all covenants, conditions and restrictions now or hereafter contained in any deed or other form of conveyance or in any other instrument of any nature that relate in any way or are applicable to the Mortgaged Property or the ownership, use or occupancy thereof; (iii) Grantor's or any Guarantor's presently or subsequently effective bylaws and articles of incorporation or partnership, limited partnership, joint venture, trust or other form of business association agreement; and (iv) any and all contracts

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(written or oral), deeds of trust, mortgages, commitments and other agreements of any nature that now or hereafter relate in any way to the construction on, or the financing, use, operation or insuring of, the Mortgaged Property, or any portion thereof, and to which Grantor or any Guarantor may be bound, including, without limiting the generality of the foregoing, any lease or other contract pursuant to which Grantor is granted a possessory interest in the Land.

Lender: See the Preamble hereof.

Loan: See Section 2.1(d).

Loan Documents: See Section 2.1(d).

Mortgaged Property: See Article III.

Note: The Bridge Note, the Revolving Note, and the Term Note, collectively.

Obligations: See Section 2.2.

Permitted Encumbrances: The outstanding liens, easements, restrictions, security interests and other matters (if any) as reflected on Exhibit B attached hereto and made a part hereof and liens and security interests created by the Loan Documents.

Personal Property: See Section 3.4.

Pledge Agreement: See Section 2.1(d).

Proceeds: See Section 3.10.

Rents: See Section 3.6.

Revolving Note: See Section 2.1(a).

Significant Shareholder: Any shareholder of a corporation who owns more than twenty percent (20%) of the corporation's voting stock or who owns stock entitled to more than twenty percent (20%) of the corporation's assets upon liquidation.

Term Note: See Section 2.1(c).

Water and Utility Rights: See Section 3.7.

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1.2 Grant. To secure the full and timely payment of the Indebtedness and the full and timely performance of the Obligations, Grantor has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does GRANT, BARGAIN, SELL and CONVEY, unto Lender, its successors and assigns forever, the Mortgaged Property, subject, however, to the Permitted Encumbrances, and Grantor does hereby bind itself and its heirs, successors and assigns to WARRANT AND FOREVER DEFEND the title to the Mortgaged Property unto Lender against every person whomsoever lawfully claiming or to claim the same or any part thereof, subject to the Permitted Encumbrances. Lender shall release this Mortgage, at Grantor's expense, when (i) Grantor shall have paid the Indebtedness and performed the Obligations in full and (ii) Lender shall have no further right or obligation to advance any further sums which would be a part of the Indebtedness secured hereby, and until so released, this Mortgage (including the lien, security interest and assignment created and evidenced hereby) shall remain in full force and effect. No release of this Mortgage shall be valid unless executed by Lender.

ARTICLE II

INDEBTEDNESS

This Mortgage is given to secure the following described Indebtedness and Obligations:

2.1 Indebtedness. The following described indebtedness shall be secured by this Mortgage and is collectively referred to herein as the "Indebtedness":

(a) Revolving Note. The indebtedness evidenced by that certain revolving promissory note (the "Revolving Note") of even date herewith, in the stated principal amount of TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00), executed by Grantor, payable to the order of Lender, bearing interest and being payable as set forth therein and having a final maturity date of April 1, 1995 (including, but not limited to, all principal and interest thereon, whether now or hereafter advanced or accrued), and all extensions, modifications, increases, renewals and restatements thereof and of any promissory note or notes given therefor.

(b) Term Note. The indebtedness evidenced by that certain term promissory note (the "Term Note") of even date herewith, in the stated principal amount of THREE MILLION AND NO/100 DOLLARS (\$3,000,000.00), executed by Grantor, payable to the order of Lender, bearing interest and being payable as set forth therein and having a final maturity date of April 1, 1997 (including, but not limited to, all principal and

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interest thereon, whether now or hereafter advanced or accrued), and all extensions, modifications, increases, renewals, and restatements thereof and of any promissory note or notes given therefor.

(c) Bridge Note. The indebtedness evidenced by that certain bridge promissory note (the "Bridge Note") of even date herewith, in the stated principal amount of FOUR MILLION FOUR HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$4,450,000.00), executed by Grantor, payable to the order of Lender, bearing interest and being payable as set forth therein and having a final maturity date of April 1, 1994 (including, but not limited to, all principal and interest thereon, whether now or hereafter advanced or accrued), and all extensions, modifications, increases, renewals and restatements thereof and of any promissory note or notes given therefor.

(d) Mortgage and Other Loan Documents. All sums now or hereafter due to Lender under the provisions of this Mortgage or any other document evidencing, securing or pertaining to the loans (the "Loan") evidenced by the Note including, but not limited to, the Credit Agreement, the Note, this Mortgage, that certain Stock Pledge and Security Agreement of even date herewith by and between Guarantor and Lender (the "Pledge Agreement"), and any Guaranty of all or any part of the Loan (all of which documents, together with any existing or future amendments thereto, are hereinafter sometimes referred to collectively as the "Loan Documents"). Such sums shall include, but not be limited to, any advances by Lender which are contemplated under the terms of the Loan Documents, any amount expended by Lender in accordance with the terms of the Loan Documents as a result of any breach of covenant or other default by Grantor under any of the Loan Documents, any legal fees or costs paid or payable in connection with the collection of any amounts due under any of the Loan Documents or expended in connection with the foreclosure of the lien and security interest created hereby, and any interest due on any such sums.

(e) Future Advances. All additional advances or loans which may hereafter be made by Lender to Grantor and which are evidenced by a promissory note or notes (other than the Note) which indicate by specific reference that the indebtedness evidenced thereby is intended to be secured by this Mortgage (it being contemplated that such future indebtedness may be incurred); provided, however, that the aggregate amount of the indebtedness secured hereby shall not exceed Thirty Million and No/100 Dollars (\$30,000,000.00).

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(f) All Other Indebtedness. Any and all other indebtedness or liability, of whatever kind or character, which is now owing or that may hereafter become owing to Lender by Grantor, by any Guarantor, by any party who is a general partner or joint venturer in Grantor or any Guarantor (if Grantor or any Guarantor is a partnership or joint venture) or by any party who is a Significant Shareholder of Grantor or any Guarantor (if Grantor or any Guarantor is a corporation), or of any general partner or joint venturer in Grantor (if Grantor is a partnership or joint venture with a corporate general partner), whether such indebtedness or liability is absolute or contingent, joint and/or several, secured or unsecured, direct or indirect, whether such indebtedness is incurred as a principal or as a surety, endorser, guarantor, accommodation party or otherwise or as a member of a partnership, joint venture, trust or other business group, whether such indebtedness or liability arises by operation of law or otherwise or is evidenced by note, open account, overdraft, endorsement, surety agreement, guaranty, or otherwise, and whether such indebtedness was originally incurred to Lender or was later purchased by Lender (it being contemplated that such parties may become further indebted to Lender).

(g) Renewals. Any renewals, extensions, replacements, modifications, increases, or reinstatements of any of the above-described indebtedness.

2.2 Obligations. This Mortgage shall secure the full and timely performance of any and all of the covenants, conditions, warranties, representations and other obligations now or hereafter made or undertaken by Grantor, any Guarantor, or any others set forth in the Loan Documents or in any deed, lease, sublease or other form of conveyance or any other agreement pursuant to which Grantor is granted a possessory interest in the land, and all such obligations (other than the obligation to repay the Indebtedness) are collectively referred to herein as the "Obligations."

ARTICLE III

THE MORTGAGED PROPERTY

The following described property is hereby conveyed and subjected to the liens created by this Mortgage and shall be collectively referred to herein as the "Mortgaged Property":

3.1 The Land. The real property (or the interest therein) described on Exhibit A attached hereto and made a part hereof located in Cook County, Illinois, together with all rights, titles,

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hereditaments, strips, gores and appurtenances pertaining thereto including, but not limited to, any rights in streets, roads, public places, easements and rights of way, existing or proposed, and public or private, which are adjacent to, or used in connection with, such real property (all of such property being collectively referred to herein as the "Land").

3.2 The Improvements. All improvements of any kind now or hereafter affixed to or erected, constructed or developed on the Land including, but not limited to, all buildings, garages, carports, open parking areas, barns, utility sheds, workrooms, air conditioning towers and all additions, alterations, replacements, betterments and appurtenances thereto (all of such improvements being referred to herein as the "Improvements").

3.3 Fixtures. All materials, supplies, equipment, apparatus and other items now or hereafter owned by Grantor attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Land including, but not limited to, any and all partitions, dynamos, window screens and shades, drapes, rugs and other floor coverings, awnings, motors, engines, elevators, escalators, boilers, furnaces, pipes, plumbing, cleaning systems, telephonic communications systems, data processing equipment, sprinkler systems, fire extinguishing apparatus and equipment, water tanks, swimming pools, heating systems, ventilating systems, laundry systems, incinerating equipment, lighting, refrigeration systems, water heating systems, air conditioning and air cooling systems, machinery, appliances and equipment, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities and all other utilities whether or not situated in easements, together with all additions, alterations, replacements, betterments and appurtenances thereto (all of such items being collectively referred to herein as the "Fixtures").

3.4 Personal Property. All personal property now or at any time hereafter owned by Grantor and located on the Land or used in connection with the ownership, development, use or operation of the Land, Improvements and other portions of the Mortgaged Property including, but not limited to, the following:

(a) **Tangible Personal Property.** All tangible personal property, including, but not limited to, all furniture, furnishings, inventory, building materials, equipment, machinery, goods and other items of tangible personalty which are now, or hereafter may be, located on or used in connection with the Land, Improvements or other portions of the Mortgaged Property, or which are necessary or useful for the complete and comfortable use, repair, or replacement of the Land or

other portions of the Mortgaged Property, together with any and all additions, alterations, replacements, betterments and appurtenances thereto.

(b) Certain Intangible Personal Property. All intangible personal property used in connection with the Land or other portions of the Mortgaged Property including, but not limited to, (i) deposits (including tenants' security deposits and escrow deposits under contracts for sale), bank accounts, funds deposited with Lender as an impound account for the payment of taxes, insurance and other expenses, funds deposited with Lender as a borrower's deposit under the Loan Documents or under any other agreement with Grantor, documents, contract rights, insurance policies, accounts, loan commitments, general intangibles (including, without limitation, trademarks, trade names and symbols) and instruments, notes or chattel paper arising from, or by virtue of, any transactions related to the Land or other portions of the Mortgaged Property; (ii) all refundable, returnable or reimbursable fees, deposits or other funds or evidences of credit or indebtedness deposited with respect to the Land or other portions of the Mortgaged Property with any governmental agencies, boards, or public or private corporations or utility companies, including, but not limited to, all refundable, utility deposits, commitment fees and development costs; (iii) all utility contracts, maintenance contracts, warranties and service contracts which relate to the use and operation of the Land or other portions of the Mortgaged Property; and (iv) all permits, licenses, franchises, certificates and other rights and privileges obtained in connection with the Land or other portions of the Mortgaged Property, together with any additions, alterations, replacements, betterments or appurtenances thereto.

(All of the foregoing described personal property being collectively referred to herein as the "Personal Property".)

3.5 Leases. Any and all leases, subleases, licenses, concessions or other agreements (whether written or oral, and whether now or hereafter in effect) which grant a possessory interest in and to, or the right to use, all or any part of the Land or other portions of the Mortgaged Property, together with all security and other deposits made in connection therewith and together with any amendments, extensions, renewals or replacements of any of the foregoing (hereinafter collectively referred to as the "Leases").

3.6 Rents. All of the rents, revenues, royalties, bonuses, delay rentals, issues, income, proceeds, profits, security and other types of deposits, and other benefits, paid or payable, for

using, leasing, licensing, possessing, operating, residing in, mining, selling or otherwise enjoying the Land or other portions of the Mortgaged Property (hereinafter collectively referred to as the "Rents").

3.7 Water and Utility Rights. All water rights associated with the Land, the Improvements or any other portion of the Mortgaged Property, including, but not limited to, (i) all rights to water located on, or adjacent to, the Land, and (ii) all rights to receive or install water and sanitary sewer service from the governmental unit or units providing or regulating same, and all rights associated with the Land and Improvements to receive other utility services including, but not limited to, electricity, gas, and telephone, together with any additions, replacements, renewals or appurtenances thereto (all of the foregoing rights being collectively referred to herein as the "Water and Utility Rights").

3.8 Contract Rights. All rights of the Grantor or its predecessors in title to the Property under any and all contracts or agreements relating to the Mortgaged Property including but not limited to rights under any contracts of sale for all or any part of the Mortgaged Property including the right to receive any earnest money or other deposits thereunder (such rights being referred to herein as the "Contract Rights").

3.9 Additional Mortgaged Property. Any and all other property which is given as security for the payment of the Indebtedness by this Mortgage or any other instrument or by any amendment, supplement or modification of this Mortgage or such other instrument (such property being referred to herein as the "Additional Mortgaged Property").

3.10 Proceeds. Any and all proceeds from the Land, Improvements, Fixtures, Personal Property, Leases, Rents, Water and Utility Rights, Contract Rights and Additional Mortgaged Property including, but not limited to, any proceeds of the sale, lease or other disposition thereof, all crops and timber, all oil, gas and other minerals, any and all proceeds (including premium refunds) of each policy of insurance relating thereto and any and all proceeds from the taking of all or any part thereof by condemnation or by purchase in lieu thereof (including the change of grade of streets, curb cuts or other rights of access) for any public or private purpose (all such proceeds being collectively referred to herein as the "Proceeds").

3.11 References to Mortgaged Property. Any reference herein to the Mortgaged Property shall be deemed to refer to all of the Mortgaged Property or any portion thereof.

ARTICLE IV

WARRANTIES AND REPRESENTATIONS

Grantor hereby represents and warrants to Lender the following to be true as of the date of the execution hereof:

4.1 Organization and Power of Grantor. Grantor is a duly organized, validly existing corporation in good standing under the laws of the State of Delaware. Grantor has complied with all conditions prerequisite to its lawfully doing business in the state where the Land is located, has all requisite power and all governmental certificates of authority, licenses, permits, qualifications, and documentation to own, lease and operate its properties and to carry on its business as now being, and as proposed to be, conducted, and has all requisite power and authority to execute and deliver all Loan Documents which have been so executed and delivered, and the execution and delivery of all Loan Documents so executed and delivered has been duly authorized by all requisite action, and all such Loan Documents have been validly executed and delivered, constitute the valid and binding obligations of Grantor (assuming due execution and delivery thereof by all other parties thereto), and are enforceable in accordance with their terms, subject to bankruptcy, moratorium, and other laws affecting creditor's rights generally.

4.2 Information. All information, reports, papers and data given, or to be given, to Lender with respect to the Mortgaged Property by Grantor, Guarantor or any others obligated under the terms of the Loan Documents are, or will be, accurate, complete and correct in all material respects and do not, or will not, omit any fact which is necessary to prevent the facts contained therein from being materially misleading; provided, however, that Grantor does not guarantee the accuracy of any forecasts or predictions made to Lender but covenants that such forecasts and predictions have been and will continue to be made in good faith.

4.3 Title to Mortgaged Property and Lien of this Instrument. Grantor has good and marketable title to the Mortgaged Property, all of which is free and clear of any liens, charges, encumbrances, security interests, claims, easements, restrictions, options, leases, covenants and other rights, titles, interests, or estates of any nature whatsoever, except the Permitted Encumbrances. This Mortgage constitutes a valid and subsisting mortgage lien on that portion of the Mortgaged Property consisting of real property and a valid and subsisting security interest in and to that portion of the Mortgaged Property covered by the Uniform Commercial Code of Illinois or New York, as the case may be.

4.4 Taxes. Grantor and any Guarantor have filed all federal, state, county, municipal and city income and other tax returns required to have been filed by them and have paid all taxes which have become due pursuant to such returns or pursuant to any assessments received by them, other than real estate taxes being contested in good faith in accordance with all Legal Requirements, and neither Grantor nor any Guarantor knows of any basis for any additional assessment in respect of any such taxes, except that which may result from increased valuation resulting from the construction of any additional Improvements or Fixtures.

4.5 Disclaimer of Homestead. No part of the Mortgaged Property constitutes any part of the homestead of Grantor, and Grantor hereby disclaims any right of homestead in the Mortgaged Property.

4.6 Litigation and Other Problems. There are no actions, suits or proceedings pending, or, to the knowledge of Grantor, threatened against, or affecting, the Mortgaged Property, the Grantor or any Guarantor (or, if Grantor or any Guarantor is a partnership, joint venture, trust or other type of business association, any of the parties comprising Grantor or any Guarantor) or involving the validity or enforceability of this Mortgage or the priority of the liens and security interests created by the Loan Documents, and no event has occurred (including specifically Grantor's execution of the Loan Documents and its consummation of the Loan) which will violate, be in conflict with, result in the breach of, or constitute (with due notice or lapse of time, or both) a default under, any Legal Requirement or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Grantor's or any Guarantor's property, other than the liens and security interests created by the Loan Documents.

4.7 Legal Requirements; Consents. To the best of Grantor's knowledge, neither the Mortgaged Property, the Improvements, nor the use or operation thereof violate any applicable Legal Requirement. All consents, licenses and permits required to operate the Mortgaged Property as it is presently operated, and for the execution, delivery and performance of the Loan Documents, have been obtained.

4.8 Financial Information. All documents, financial statements, reports, notices, schedules, certificates, statements and other information, written or oral, furnished by Grantor and Guarantor to Lender are true, correct and complete and disclose all of the applicable party's contingent obligations. All financial statements have been prepared in accordance with generally accepted accounting principles consistently applied and accurately and fairly represent such party's financial condition and operations as

of the date thereof. Since the date of such financial statements, there has been no material adverse change in Grantor's or Guarantor's financial condition or operations which could impair Grantor's ability to repay the Loan or Grantor's or Guarantor's ability to perform their respective obligations in accordance with the terms of the Loan Documents.

4.9 No Defaults. Neither Grantor nor Guarantor is currently in default under any agreement to which it is a party or by which it or its property is bound, the effect of which will adversely affect the performance by Grantor and/or Guarantor of their respective obligations pursuant to, and as contemplated by, the Loan Documents. Neither the execution and delivery of the Loan Documents, nor the performance of the obligations of Grantor and/or Guarantor thereunder, nor the consummation of the transactions contemplated thereby, violate (i) to the best of Grantor's knowledge, any provision of applicable law, or (ii) any applicable order, writ, injunction, or decree of any court or governmental or quasi-governmental department, commission, board, bureau, agency or instrumentality or constitute a default under any indenture, mortgage, deed of trust, agreement or contract of any kind to which Grantor or Guarantor is a party or by which Grantor or Guarantor or their respective properties may be bound so as to adversely affect the performance by Grantor and/or Guarantor of their respective obligations under the Loan Documents.

4.10 Insurance Notices. Grantor has not received any notice from any insurer of all or any part of the Mortgaged Property of any defects or inadequacies in the Mortgaged Property or any part thereof which may adversely affect the insurability of the Mortgaged Property.

4.11 Prior Representations. All representations, warranties, and certifications made, and all information and materials submitted, to Lender in connection with the Loan are true and correct in all material respects, and there have been no adverse changes with respect to such representations, warranties and certifications since the date thereof.

4.12 Priority of Lien. Grantor has not taken, suffered or permitted any action which could establish or cause the inception or priority of any mechanic's or materialmen's lien (statutory or otherwise), or other lien, charge or encumbrance, upon or against the Mortgaged Property to be prior or superior to the liens and security interests of this Mortgage.

4.13 Availability of Utilities. All drainage facilities, water, sewer, electric, gas, telephone and other utilities required by law and the normal operation of the Mortgaged Property have been installed, are connected pursuant to valid permits, and are in full compliance with all legal requirements.

4.14 Licenses and Permits. All licenses, permits, easements and rights-of-way (including, without limitation, proof of dedication) required from all private parties and all governmental authorities having jurisdiction over the Mortgaged Property to make use of the Mortgaged Property and to ensure vehicular and pedestrian ingress and egress to and from the Mortgaged Property have been obtained.

4.15 Use Restrictions. There are no plats, restrictive covenants, land use restrictions or other matters affecting the Mortgaged Property which could impair or prohibit the current use and operation thereof or which may otherwise impair or cloud title to the Mortgaged Property, other than Permitted Encumbrances.

4.16 Bankruptcy. Neither Grantor nor Guarantor has filed any petition, nor has any petition been filed against Grantor or Guarantor, in bankruptcy or insolvency or reorganization, or for the appointment of a receiver or trustee, or for the arrangement of debts, nor has Grantor or Guarantor or the Mortgaged Property been the subject of any such action, nor has such action been threatened against Grantor or Guarantor or the Mortgaged Property by any party. Neither Grantor nor Guarantor is insolvent and neither will be rendered insolvent by the transaction contemplated by the Loan Documents.

4.17 Grantor's Business. The entire proceeds of the Loan will be used solely by the Grantor to carry on its business and for no other purpose.

4.18 Usury. The Loan is a business loan and, to the best of Grantor's knowledge, is not usurious.

ARTICLE V

COVENANTS

Grantor hereby unconditionally covenants and agrees with Lender as follows:

5.1 Payment and Performance. Grantor shall punctually pay each and every portion of the Indebtedness and shall punctually and fully perform each and every one of the Obligations.

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5.2 Existence. Grantor shall preserve and keep in full force and effect its existence, rights, franchises and trade names.

5.3 Lien Status. Grantor will protect the priority of the lien and security interest of this Mortgage and the other Loan Documents. If any claim, lien or security interest (including any mechanic's or materialmen's lien claim) which is not a Permitted Encumbrance, or has not been consented to by Lender in writing, is asserted against the Mortgaged Property, Grantor shall promptly notify Lender of the claim and pay any such claim in full or take such other action to cause such claim to be released, subject to Grantor's right to contest the same in accordance with the provisions of Section 5.21 hereof. At any time after the assertion of such a claim, lien or security interest, if the same has not been satisfied or bonded to Lender's satisfaction pursuant to Section 5.21 hereof, then Lender may take any and all steps which it deems necessary in its sole discretion for the defense of its liens and security interests in the Mortgaged Property, including, but not limited to, the employment of counsel, the prosecution and defense of litigation and the payment, compromise or discharge of such claims, and, upon demand therefor, Grantor shall reimburse Lender for any and all costs incurred in connection with such action together with interest thereon at the Default Rate from the date of demand therefor until such costs are reimbursed by Grantor to Lender. In the event Lender acquires from a party other than Grantor actual knowledge of any such claim, lien or security interest, Lender shall so notify Grantor, and Grantor shall have ten (10) days after receipt of such notice during which to take the actions required or permitted hereunder. Upon the expiration of said ten (10) day period, Lender shall be entitled to the rights and remedies afforded to Lender in this Mortgage. In making any payments to protect the security intended to be created by the Loan Documents, Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same.

5.4 Payment of Taxes and Other Impositions. Grantor will timely pay and discharge all ad valorem taxes and other impositions against the Mortgaged Property not later than the due date thereof; provided, however, that (a) Grantor may pay such amounts in installments, whether or not interest shall accrue on the unpaid balance of such amounts, if such payment in installments would not create or permit the filing of a lien (statutory, constitutional or contractual, but excluding inchoate liens for taxes and assessments) against the Mortgaged Property, and (b) Grantor may contest the payment of any such amounts in accordance with the provisions of Section 5.21 hereof. If Grantor has not furnished Lender with proof that any tax or other Imposition has been paid in full or that it is being paid in timely installments or is being

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contested in accordance with the terms of Section 5.21 hereof, or if Lender believes the Mortgaged Property is in jeopardy in spite of such contest, then Lender may pay such tax or other Imposition and all penalties, interest and legal costs associated therewith and Grantor shall pay to Lender, upon demand, all such amounts plus interest thereon at the Default Rate from the date payment thereof is made by the Lender until the date reimbursement is made by Grantor. If Lender shall elect to pay any Imposition or other sums due with reference to the Mortgaged Property, Lender may do so in reliance on any bill, statement or assessment procured from the appropriate governmental authority or other issuer thereon without inquiring into the accuracy or validity thereof.

5.5 Repair, Waste, Alterations, etc. Grantor (a) shall keep every part of the Mortgaged Property in good repair, (b) shall maintain the Mortgaged Property in at least as good a condition as it was on the date hereof, reasonable wear and tear and loss by casualty excepted, and (c) shall not commit or permit any waste of the Mortgaged Property, and Grantor shall promptly make all repairs and replacements necessary to such end. In the event a casualty loss or other event resulting in damage is covered by insurance and whether or not the proceeds of any insurance are made available to Grantor by Lender, Grantor will give notice thereof to Lender immediately and will promptly, at Grantor's sole cost and expense, repair, replace and rebuild the Mortgaged Property to its original value, condition and character, as it existed immediately before such loss or damage. Grantor shall guard every part of the Mortgaged Property from removal, destruction and damage, and shall not do, or suffer to be done, any act whereby the value of any part of the Mortgaged Property may be lessened. Grantor shall not make any alterations or additions to the Mortgaged Property the cost of which exceeds \$10,000.00 without the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed), provided that in the event of an emergency requiring alterations or additions to the Mortgaged Property to prevent the loss or destruction thereof, Grantor may commence same without Lender's consent, so long as Grantor gives Lender written notice of same simultaneously with commencing such alterations or additions.

5.6 Insurance. Grantor, at its sole expense, shall at all times maintain insurance against such risks with respect to the Mortgaged Property and the operation thereof as Lender shall reasonably require. The form, content and amount of each insurance policy must be acceptable to Lender in its reasonable discretion. All such insurance policies shall be maintained with insurers approved by Lender and shall: (a) provide that Lender may, but shall not be obligated to, make payments thereunder to prevent any cancellation, endorsement or alteration of such policy; (b) contain a mortgagee endorsement in favor of Lender (except for worker's compensation insurance) which is satisfactory to Lender in its

reasonable discretion; (c) include an effective waiver by the issuer of all rights of subrogation against Lender, any named insured or such insured's interest in the Mortgaged Property, or any income derived therefrom; (d) provide that all insurance proceeds for losses of \$10,000 or more must be adjusted solely by Lender or jointly by Grantor and Lender (except for worker's compensation, which may be adjusted by Grantor alone), as determined by Lender in its sole discretion within five (5) Business Days after receipt of notice thereof; (e) provide that insurance proceeds shall be payable directly and solely to Lender (except in the case of public liability and worker's compensation insurance); (f) provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Grantor or Lender or any other person; (g) provide that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by Grantor and Lender of written notice thereof; (h) contain only such deductibles, if any, as Lender may approve in writing; (i) provide coverage on an "occurrence basis" and not a "claims made" basis; and (j) be satisfactory to Lender in all other respects. Such insurance may, at Grantor's option, be provided through a blanket policy or policies which are acceptable to Lender. Lender shall be furnished with a certificate of each required insurance policy at the time of the execution of this Mortgage and Lender shall be furnished with a certificate evidencing a renewal policy for each such insurance policy, together with receipts or other evidence that the premiums thereon have been paid, not less than ten (10) days prior to the expiration of each such insurance policy or renewal policy therefor; provided, however, that Grantor shall deliver or cause to be delivered to Lender within five (5) days after Lender's request the original (or a copy certified by the issuer as being true, correct, and complete) of each such insurance policy. Grantor shall furnish to Lender upon request a statement certified by Grantor setting forth the amounts of insurance being maintained in compliance herewith, the risks covered by such insurance and the insurance company or companies which carry such insurance. If Grantor fails to maintain such insurance or to timely deliver such certified statement of insurance coverages maintained, Lender may, at its election (but without any obligation to do so), procure such insurance as may be necessary to comply with the above requirements, and, upon demand, Grantor shall pay the cost of such insurance to Lender together with interest thereon at the Default Rate from time to time until such amounts are repaid to Lender. Unless otherwise agreed by Lender in writing, Grantor shall maintain at least the following described insurance coverages: (a) public liability and property damage insurance applicable to the Mortgaged Property in the amount of at least \$1,000,000 per person and \$3,000,000 aggregate per accident and, in the case of property damage, \$1,000,000; (b) appropriate worker's compensation or other insurance against liability arising from

claims of workmen or other persons performing any work or services in or upon the Land; (c) explosion insurance in respect to all steam or pressure boilers or similar apparatus, if any, located on the Land, in amounts approved by Lender; and (d) insurance against such other hazards and risks (including, without limitation, business interruption insurance covering loss of Rents) and in such amounts as is customarily carried by owners and operators of similar properties, or as Lender may require for its protection. All insurance policies relating to the Mortgaged Property and the proceeds thereof are hereby collaterally assigned to Lender and, in case of loss, Lender shall be entitled to receive and retain all insurance proceeds and, at its sole option, to apply same to the payment of the Indebtedness in such manner as it may elect or to the restoration of the Mortgaged Property, with any excess to be returned to Grantor. If any loss shall occur at any time when Grantor shall be in default in the performance of this covenant, Lender shall be entitled to the benefit of all insurance held by or for any Grantor, to the same extent as if it had been made payable to Lender, and upon foreclosure hereunder Lender shall become the owner thereof.

5.7 Condemnation. All judgments, decrees and awards for injury or damage to the Mortgaged Property and all awards pursuant to proceedings for condemnation thereof are hereby collaterally assigned in their entirety to Lender which may, at its sole option, apply the same (a) to the Indebtedness in such manner as it may elect, or (b) to the restoration of the Mortgaged Property, with any excess to be returned to Grantor. Lender is hereby authorized, in the name of Grantor, to execute and deliver valid acquittances for, and to appeal from, any such award, judgment or decree. Immediately upon its obtaining knowledge of the institution or the threatened institution of any proceedings for the condemnation of the Mortgaged Property, Grantor shall so notify Lender. Grantor may and shall, if reasonably requested by Lender, file or defend its claim thereunder and prosecute same with due diligence to its final disposition and shall cause any awards or settlements to be paid over to Lender for disposition pursuant to the terms of this instrument. Lender shall be entitled to participate in and to control such proceedings and to be represented therein by counsel of its own choice, and Grantor shall deliver, or cause to be delivered, to Lender such instruments as Lender may request to permit such participation.

5.8 Right to Use Insurance and Condemnation Proceeds. Notwithstanding the foregoing provisions regarding the disposition of insurance and condemnation proceeds, Lender agrees that if Grantor meets the following conditions, then Lender will not elect to apply all of such proceeds to the Indebtedness, but shall hold such proceeds in a non-interest bearing account to be readvanced to Grantor for the purpose of reconstructing or restoring the

Mortgaged Property under the following terms and conditions. Lender shall make insurance and condemnation proceeds available to Grantor only if: (a) at the time of the occurrence of the event for which proceeds are being received and at the time of the receipt of such proceeds there is no existing uncured Event of Default; (b) the total proceeds to be received do not exceed fifty percent (50%) of the amount of the unpaid Indebtedness; and (c) such proceeds, together with such other sums as Grantor may deposit with Lender, shall be sufficient, in Lender's sole opinion, to restore the Mortgaged Property to its original condition, or in the case of a condemnation, to a commercially reasonable use. If Grantor qualifies for the right to use such proceeds for the reconstruction and restoration of the Mortgaged Property, then Lender shall advance such proceeds to Grantor, in the manner and upon such terms and conditions as would be required by a prudent interim construction lender, including, but not limited to, the prior approval of plans and specifications and the furnishing of lien waivers, invoices, receipts and bills paid affidavits. Any proceeds not required to complete such restoration shall, at Lender's sole option, be applied first to payment of the Indebtedness with any excess to be paid to Grantor.

5.9 Tax and Insurance Escrow. Grantor shall maintain a deposit with Lender as a reserve for the payment of all taxes and other Impositions against the Mortgaged Property and the cost of all insurance policies required to be maintained with respect to the Mortgaged Property (all such funds so deposited with Lender being referred to herein as the "Impound Account"). For each calendar year, Lender shall determine the "Annual Impound Amount" by estimating the amounts which will be due for all such Impositions and insurance premiums owing for that year and Lender shall determine the "Monthly Impound Amount" for that year by dividing that year's Annual Impound Amount by twelve. On the date hereof Grantor shall make an initial deposit equal to the Monthly Impound Amount for the year times the sum of the number of full months elapsed in the year plus three. On the first day of each month thereafter during that year, Grantor shall deposit an amount equal to the Monthly Impound Amount with Lender. For each succeeding year, Lender shall recalculate the Annual and Monthly Impound Amounts required in such succeeding year and during that year Grantor shall deposit the new Monthly Impound Amount with Lender on the first day of each month beginning on the first day of January. In addition, if during any year the amount of the insurance premiums and taxes and other Impositions on the Mortgaged Property appear likely to be more or less than originally estimated for that year, then Lender may adjust the Monthly Impound Amount required hereunder in a manner that will result in a balance in the Impound Account at the end of the year equal to one hundred ten percent (110%) of the new estimated requirement. Also, from time to time and within ten (10) days after notice thereof, Grantor

shall deposit in the Impound Account an amount equal to any unanticipated assessment made against the Mortgaged Property. In the event of the transfer of legal title to the Mortgaged Property, Lender shall be entitled, at its option, to treat the new owner of legal title to the Mortgaged Property as the owner of all sums deposited with the Lender under the provisions of this paragraph or otherwise, and Grantor shall indemnify and hold Lender harmless from any claims arising from Lender's payment of the Impound Account to or for the benefit of either such new owner or Grantor. The Impound Account shall be held by Lender in non-interest bearing accounts and such amounts may be commingled with Lender's other funds. Upon the assignment of any portion of the Indebtedness and the liens of this Mortgage, Lender shall have the right to pay over all or any portion of the balance of the Impound Account then in its possession to the assignee, whereupon Lender shall then become completely released from all liability with respect thereto. Upon release of this Mortgage or at such earlier time as Lender may elect, the balance of the Impound Account in its possession may be paid over to Grantor or the then owner of the Mortgaged Property, as Lender shall so elect in its sole discretion, and no other party shall have any right or claim thereto. Lender shall have a security interest in the Impound Account to secure the payment of the Indebtedness and the performance of the Obligations, provided that, if no Event of Default shall have occurred and be continuing hereunder, the Impound Account (or an appropriate portion thereof) shall be paid directly to the governmental authority and/or the insurance company entitled thereto so long as Grantor delivers invoices or other evidence of the amount due at least thirty (30) days prior to the due date thereof, but if an Event of Default shall have occurred and be continuing hereunder, Lender shall have the additional option of crediting the full amount of the Impound Account against the Indebtedness. Notwithstanding anything to the contrary contained in this paragraph, or elsewhere in this Mortgage, Lender hereby reserves the right to waive payments by Grantor to the Impound Account, and, in the event Lender does so waive such payment, it shall be without prejudice to Lender's rights to insist, at any subsequent time or times, that such payments be made and the Impound Account be restored to the level provided for herein.

5.10 Books and Records and Annual Statements. Grantor will maintain full and accurate books of account and other records reflecting the results of its operations of the Mortgaged Property, and will furnish to Lender (a) all statements, certificates, financial reports, and other matters required under the Credit Agreement, (b) a certificate executed by Grantor certifying that, as of the date thereof, there does not exist an event which constitutes, or which upon due notice or lapse of time or both would constitute, an Event of Default which would materially adversely affect the obligations of Grantor hereunder or under any

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other Loan Document, or if such an event exists, specifying the nature thereof, and (c) within ten (10) days after filing thereof, all tax returns and information returns of Guarantor. In addition, Grantor shall deliver to Lender such other financial data as Lender shall reasonably request from time to time with respect to Grantor, any Guarantor and the ownership, maintenance, use and operation of the Mortgaged Property, including, but not limited to, annual financial statements (including balance sheets and profit and loss statements for Grantor and any Guarantor), certified by an officer of Grantor, and Lender shall have the right, at all reasonable times and upon reasonable notice, and at Grantor's expense, to audit, examine and make copies or extracts of Grantor's books of account and records, all of which shall be maintained and made available to Lender and Lender's representatives for such purpose at the address specified herein for Grantor, at the Mortgaged Property, or at such other location as Lender may approve. Lender agrees to maintain the confidentiality of all such books and records and not to publish, distribute, or otherwise make known the contents of such books and records to any other person or entity except (i) officers, directors, shareholders, and employees of Lender (or any successor thereto) in connection with the administration of the Loan, and (ii) in connection with any litigation or other adversarial proceeding between Grantor or Guarantor and Lender with respect to the Loan or any Loan Document.

5.11 Intentionally Omitted.

5.12 Inspection. Grantor will permit Lender, and its agents, representatives and employees, to inspect the Mortgaged Property and confer with any parties responsible for management of the Mortgaged Property at all reasonable times upon reasonable notice commensurate with the circumstances. Grantor shall be entitled to escort Lender (or its agents, representatives, or employees, as the case may be) on any inspection, and Lender agrees to use its best efforts not to interfere with the operation of the Mortgaged Property during such inspections.

5.13 Hold Harmless. Grantor will defend, at its own cost and expense, and hold Lender harmless from, any action, proceeding or claim affecting the Mortgaged Property or the Loan Documents other than that resulting from the gross negligence or willful misconduct of Lender, and Grantor shall pay all costs and expenses incurred by Lender in protecting its interests hereunder in such an event (including all court costs and attorneys' fees).

5.14 Taxes on Note or This Instrument. If at any time any law shall be enacted imposing or authorizing the imposition of any tax upon this instrument, or upon any rights, titles, liens or security interests created hereby, or by the Note or by any of the other Loan Documents, Grantor shall immediately pay all such taxes and

thereafter shall continue to pay such taxes as they become due unless it is unlawful for Grantor to pay such taxes, in which event Grantor shall not be required to pay such taxes, but Lender shall be entitled to demand payment of the Indebtedness in full and Grantor shall pay the Indebtedness in full without penalty within sixty (60) days after demand therefor by Lender.

5.15 No Drilling or Exploration. Without the prior written consent of Lender, Grantor shall not suffer or permit any drilling or exploration for, or extraction, removal or production of, minerals from the surface or subsurface of the Land. The term "minerals" as used herein shall include, without limiting the generality of such term, oil, gas, casinghead gas, coal, lignite, hydrocarbons, methane, carbon dioxide, helium, uranium and all other natural elements, compounds and substances, including sand and gravel.

5.16 Compliance with Legal Requirements. Grantor, the Mortgaged Property and the use thereof by Grantor shall at all times and in all respects comply with all Legal Requirements and Grantor shall pay all fees or charges of any kind in connection therewith when due, subject to Grantor's right to contest the same in accordance with the provisions of Section 5.21 hereof.

5.17 Trade Names. At the request of Lender, Grantor shall execute a certificate in form reasonably satisfactory to Lender listing the trade names under which Grantor operates the Mortgaged Property, and representing and warranting that Grantor does business under no other trade name with respect to the Mortgaged Property. Grantor shall immediately notify Lender in writing of any change in said trade names, and shall, upon request of Lender, execute any additional financing statements and other certificates required to reflect the change in trade names and shall execute and file any assumed name certificates required by applicable laws.

5.18 Recording and Filing. Grantor shall cause the Loan Documents (or any one or more of them) and all amendments, supplements and extensions thereto and substitutions therefor to be recorded, filed, rerecorded and refilled in such manner and in such places as Lender shall reasonably request, and shall pay all such recording, filing, rerecording and refiling fees, title insurance premiums and other charges.

5.19 Further Assurances. Grantor, upon the request of Lender, shall execute, acknowledge, deliver and record such further instruments and do such further acts as may be necessary, desirable or proper to carry out the purposes of the Loan Documents and to subject to the liens and security interests created thereby any property intended by the terms thereof to be covered thereby,

including specifically, but without limitation, any renewals, additions, substitutions, replacements, improvements or appurtenances to the Mortgaged Property.

5.20 Management. Grantor shall not appoint or change any management agent for the Mortgaged Property without the prior written approval of Lender, which approval shall not be unreasonably withheld or delayed and shall be based upon the reputation, experience, quality and financial stability of the management agent. Grantor shall not enter into any management or operations agreement related to the Mortgaged Property without Lender's prior written approval of the form and content of such agreement, which approval shall not be unreasonably withheld or delayed, and in all events, any such agreement shall be cancelable upon sixty (60) days notice from Lender that an Event of Default has occurred.

5.21 Right to Contest. Notwithstanding anything contained in this Mortgage or any other Loan Document to the contrary, Grantor shall have the right to contest any Legal Requirement and/or the amount or validity of any liens, claims, taxes, or other Impositions required to be paid hereunder (other than the taxes described in Section 5.14 hereof), provided that (i) Grantor shall give written notice of such contest to Lender, which notice shall specify the Legal Requirement to be contested or who is asserting the claim, lien, security interest, or tax, and the amount thereof, as the case may be, and shall detail the origin and nature thereof, (ii) any such contest is made in good faith and by appropriate proceedings and is prosecuted diligently and in a manner not prejudicial to the rights, liens, and security interests of Lender, and (iii) Grantor shall have deposited cash, a bond, a title endorsement, or other security reasonably acceptable to Lender in an amount which, in Lender's sole discretion, will be sufficient to cover any amounts (including, but not limited to, interest, penalties, and legal costs) which may be owing in the event the contest is unsuccessful. Notwithstanding the foregoing, no contest may be conducted and no payment may be delayed beyond the date on which the Mortgaged Property would be subject to execution or the foreclosure of a lien for nonpayment, and Lender shall have the right, exercisable ten (10) days after written notice thereof to Grantor (or such lesser period of time as may be necessary under the circumstances), to make such payment or cause such payment to be made from any security then being held by Lender as a result of such contest if Lender reasonably deems its liens or security interests to be at risk.

5.22 Maintenance of Rights of Way, Easements, and Licenses. Grantor will maintain, preserve and renew all rights of way, easements, grants, privileges, licenses and franchises reasonably necessary for the use of the Mortgaged Property as presently used.

5.23 Easements, Plats, Restrictive Covenants and Zoning. Grantor will not, without the prior written consent of Lender, (i) grant any easement over any portion of the Mortgaged Property, (ii) subdivide the Mortgaged Property or execute or record any plat covering the Mortgaged Property or any part thereof, (iii) initiate, join in or consent to any private restrictive covenant or other public or private restriction as to the use of the Mortgaged Property or any zoning reclassification of the Mortgaged Property (or any part thereof), or (iv) seek any variance under (or deviation from) any existing zoning laws or ordinances applicable to the Mortgaged Property (or any part thereof).

ARTICLE VI

SUBORDINATE LIENS

6.1 Subordinate Liens. Lender, at its option, may at any time declare the Indebtedness immediately due and payable if the Grantor shall, without the prior written consent of Lender, grant any lien, security interest or other encumbrance (hereinafter called a "Subordinate Mortgage") covering any of the Mortgaged Property.

6.2 Compliance. Grantor covenants and agrees that it shall not take any action which would entitle Lender to accelerate the Indebtedness pursuant to this Article.

ARTICLE VII

TRANSFERS

7.1 Transfer of the Mortgaged Property (Due on Sale). Lender, at its option, may at any time declare the Indebtedness immediately due and payable if the Grantor shall, without the prior written consent of Lender, sell, transfer or convey any interest (including, without limitation, the execution of any contract for deed, any option contract or any other purchase agreement) in or title (legal or beneficial) to all or any part of the Mortgaged Property (other than obsolete or worn Personal Property replaced by adequate substitutes of equal or greater value than the replaced items when new) to any party, or if the same shall become vested in any other party, whether by operation of law or otherwise. Such consent may be withheld in Lender's sole discretion and may be

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conditioned upon an increase in the interest rate on the Indebtedness, the payment of transfer fees, a shortening of the maturity of the Indebtedness or otherwise. Notwithstanding the foregoing, Lender shall not be entitled to declare the Indebtedness due as a result of Grantor's execution of an executory contract for the sale of the Mortgaged Property, so long as such contract provides that (a) possession of the Mortgaged Property shall not be transferred to the purchaser prior to the closing, (b) the closing is conditioned upon payment of the Indebtedness in full or Lender's consent to the transfer, and (c) the closing shall take place within one hundred and twenty (120) days from the date of the execution of the contract by the Grantor.

7.2 Compliance. Grantor agrees that it shall not take any action which would entitle Lender to accelerate the Indebtedness pursuant to this Article.

ARTICLE VIII

EVENTS OF DEFAULT

The occurrence of any one of the following events shall be an "Event of Default" hereunder:

8.1 Payment of Indebtedness. If Grantor shall fail to timely pay any installment or portion of the Indebtedness when the same shall become due and payable.

8.2 Performance of Obligations. If Grantor shall fail to fully and timely comply with, perform and discharge any covenant of this Mortgage or any of the other Obligations as and when such performance is required and such failure, refusal or neglect shall either be incurable or, if curable, shall remain uncured for a period of thirty (30) days following delivery of written notice thereof from Lender to Grantor; provided, however, that if such default is curable but cannot be cured within said thirty (30) day period, Grantor shall so notify Lender and such default shall not constitute an Event of Default hereunder so long as Grantor commences to cure the same within said thirty (30) day period and diligently prosecutes such cure to completion.

8.3 Nonperformance of Covenants of Other Documents. If the Grantor shall: (i) fail to fully and timely pay any indebtedness or perform any covenant under (A) any instrument evidencing, securing or pertaining to any indebtedness which is also secured by any part of the Mortgaged Property or (B) any instrument evidencing, securing or pertaining to any indebtedness owed by the Grantor or any Guarantor, whether such indebtedness is owed to

Lender or not, and (ii) shall fail to cure any such failure within any applicable notice and cure period provided in any such document.

8.4 Event of Default Under Other Documents. The occurrence of any Event of Default (as defined therein) under any other Loan Document, or a default or event of default under any other document now or hereafter executed by Grantor, or by any Guarantor, and the passage of any applicable notice, grace and cure period thereunder without cure.

8.5 False Representation. If any representation, warranty, or statement made by Grantor, Guarantor or others in, under or pursuant to the Loan Documents or any affidavit or other instrument executed in connection with the Loan Documents is false or misleading in any material respect as of the date hereof or becomes so at any time prior to the full payment of the Indebtedness and the full performance of the Obligations and the same is not cured to the reasonable satisfaction of Lender within thirty (30) days after delivery of written notice thereof to Grantor.

8.6 Voluntary Bankruptcy. If Grantor or any Guarantor shall (a) be adjudicated as bankrupt or insolvent, (b) make a general assignment for the benefit of its or his creditors, (c) file a petition, answer or consent seeking or allowing to be entered against him, or it, an order for relief (or any similar remedy) under any provision of any Bankruptcy Laws or consent to the institution of any proceedings thereunder, (d) convene a meeting of its or his creditors, or any class thereof, for the purpose of effecting a moratorium upon or extension or composition of its or his debts, (e) fail to pay its or his undisputed debts as they mature, (f) admit in writing that it or he is generally not able to pay its or his debts as they mature, (g) apply for or consent to the appointment of a receiver, trustee, custodian, liquidator or other similar official of all or a portion of his or its assets, or (h) become insolvent.

8.7 Involuntary Bankruptcy. If (a) a petition is filed, or any case or proceeding is commenced, under any of the Bankruptcy Laws against Grantor or any Guarantor, or against the assets of any such persons or entities, unless such petition and the case or proceeding initiated thereby is dismissed within thirty (30) days from the date of the filing, (b) an answer is filed by Grantor or any Guarantor admitting the allegations of any such petition, or (c) a court of competent jurisdiction enters an order, judgment or decree, without the consent of Grantor or any Guarantor appointing a custodian, trustee, agent or receiver of it or him, or for all or any part of its or his property, or authorizing the taking possession by a custodian, trustee, agent or receiver of it or him,

of all or any part of its or his property, unless such appointment is vacated or dismissed or such possession is terminated within thirty (30) days from the earlier of the date of such appointment or commencement of such possession, but not later than five (5) days before the proposed sale of any assets of Grantor or any Guarantor by such custodian, trustee, agent or receiver, other than in the ordinary course of the business of Grantor or any Guarantor.

8.8 Death or Dissolution. If (a) any Grantor or Guarantor shall die or become incapacitated, or (b) any Grantor or Guarantor shall dissolve, terminate, liquidate or merge with or be consolidated into any other entity (or shall attempt to do so); provided, however, that the death or legal incapacity of Guarantor shall not constitute an Event of Default hereunder so long as the Indebtedness is paid in full within ninety (90) days after the date of such death or legal incapacity.

8.9 Destruction of Improvements. If so much of the Mortgaged Property is demolished, destroyed or substantially damaged by casualty or is taken by condemnation that, in Lender's sole judgment, it cannot be restored or rebuilt with available funds to substantially the same condition existing immediately prior to such demolition, destruction, damage or condemnation within a reasonable period of time.

8.10 Foreclosure of Other Liens. If the holder of any lien or security interest on any part of the Mortgaged Property (without hereby implying Lender's consent to the creation or existence of any such lien or security interest) posts a notice of public sale of any portion of the Mortgaged Property or institutes foreclosure or other proceedings for the enforcement of its remedies under any instrument creating such a lien or security interest.

8.11 Judgment. If any final judgment for the payment of money in excess of \$25,000.00 shall be rendered against Grantor or any Guarantor and the same shall not be discharged within a period of sixty (60) days after such judgment becomes final.

8.12 Abandonment. If Grantor fails or ceases, for any reason whatsoever, to actively manage or collect rents from the Mortgaged Property, or abandons any of the Mortgaged Property.

8.13 Intentionally Omitted.

8.14 Failure to Meet Deferred Conditions Precedent to Loan Advances. If Lender elects to make the initial advance of the Loan prior to Grantor's satisfaction of all conditions precedent to the funding of the Loan as required by any loan commitment for the Loan, any closing checklist executed by Grantor or any letter agreement regarding conditions precedent (each such unsatisfied

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condition precedent being referred to herein as a "Deferred Condition Precedent") and Grantor fails to satisfy any such Deferred Condition Precedent within ten (10) days after written demand therefor from Lender. Notwithstanding any other provision of any Loan Document, if the Loan is not fully advanced on the date hereof, Grantor shall not be entitled to any further advances thereof until Grantor has met all Deferred Conditions Precedent. If Lender elects to make subsequent advances of the Loan, even though all Deferred Conditions Precedent have not been satisfied, the unsatisfied Deferred Conditions Precedent shall not be deemed waived and Lender shall be entitled to demand their satisfaction at any time thereafter and to refuse to make any further advances of the Loan until they are satisfied.

8.15 Right to Accelerate. If Lender is entitled to declare the Indebtedness immediately due and payable by reasons of any of the provisions of this Mortgage or any other Loan Document.

ARTICLE IX

REMEDIES AND FORECLOSURE

9.1 Remedies. If an Event of Default shall occur, Lender may, at its election, exercise any or all of the following rights, remedies and recourses without further notice:

(a) **Acceleration:** Lender may declare the entire accrued but unpaid portion of the Indebtedness to be immediately due and payable, without notice, grace presentment, protest, demand for payment or any other action of any nature whatsoever (each of which hereby is expressly waived by Grantor), whereupon the same shall become immediately due and payable. Grantor expressly hereby waives the right to receive notice of the intention to accelerate the Indebtedness and notice of acceleration of the Indebtedness.

(b) **Lender's Right to Perform:** If Grantor shall fail, refuse or neglect to make any payment or perform any act required by any of the Loan Documents and such failure, refusal, or neglect continues beyond any applicable notice, grace or cure period, then at any time thereafter, and without notice to or demand upon Grantor and without waiving or releasing any other right, remedy or recourse Lender may have because of same, Lender may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Grantor and, to the extent allowed by law, Lender shall have the right to enter upon the Land and into the Improvements for such purpose and to take all such action

thereon and with respect thereto as it may deem necessary or appropriate. Grantor shall indemnify Lender for all losses, expenses, damages, claims and causes of action, including reasonable attorneys' fees and legal costs, incurred or accruing by reason of any acts performed by Lender pursuant to the provisions of this paragraph or by reason of any other provision of the Loan Documents. Upon demand therefor, Grantor shall reimburse Lender for all sums paid by Lender pursuant to this paragraph, together with interest thereon at the Default Rate from the date of demand therefor until such amounts are reimbursed to Lender. All such amounts and all other sums expended by Lender for which Lender is entitled to be indemnified or reimbursed, together with the interest thereon, shall constitute additions to the Indebtedness and shall be secured by the liens, security interests and rights created by the Loan Documents.

(c) Entry Upon and Operation of the Mortgaged Property: To the extent allowed by applicable law, Lender may enter upon and into the Mortgaged Property and take exclusive possession thereof and of all books, records and accounts relating thereto. If Grantor remains in possession of all or any part of the Mortgaged Property after an Event of Default and without Lender's prior written consent thereto, Lender may (without implying any requirement therefor) invoke any and all legal remedies to dispossess Grantor, including specifically one or more actions for forcible entry and detainer. Lender may hold, lease, manage, operate or otherwise use or permit the use of the Mortgaged Property, either by itself or by other persons, firms, or entities, in such manner, for such time and upon such other terms as Lender may deem to be prudent and reasonable under the circumstances (making such repairs, alterations, additions and improvements thereto and taking any and all other action with reference thereto, from time to time, as Lender shall deem necessary or desirable), and Lender shall apply all amounts collected therefrom in the same manner as the proceeds of foreclosure are required to be distributed under the terms hereof. Lender's powers shall include the right to complete construction of any part of the Mortgaged Property and to make any repairs or alterations necessary to the successful operation thereof. In the exercise of any of the foregoing rights and powers Lender shall not be liable to Grantor for any loss or damage thereby sustained unless due solely to the willful misconduct of Lender.

(d) Receiver: Lender may make application to a court of competent jurisdiction, as a matter of strict right and without notice to Grantor or regard to the adequacy of the Mortgaged Property for the repayment of the Indebtedness, for

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appointment of a receiver of the Mortgaged Property and Grantor does hereby irrevocably consent to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court, and shall apply all sums received therefrom in the same manner as the proceeds of foreclosure are required to be distributed under the terms hereof.

(e) Foreclosure: Lender may foreclose the liens and security interests of this Mortgage in any manner allowed at law or in equity.

(f) Other: Lender may exercise any and all other rights, remedies and recourses granted under the Loan Documents or now or hereafter existing at law or in equity, by virtue of statute or otherwise.

9.2 Foreclosure. Upon the occurrence of an Event of Default, Lender may also require the foreclosure of the liens and security interests of the Mortgage to obtain the satisfaction of the Indebtedness and Obligations in the following manner and upon the following terms and conditions:

(a) Foreclosure Suit. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness secured hereby in the decree of sale, all expenditures and expenses authorized by the Illinois Mortgage Foreclosure Law, Ill. Rev. Stat. Ch. 110, §§ 15-1101, et seq. (as amended the "Act"), and all other expenditures and expenses which may be paid or incurred by or on behalf of Lender for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examination, title insurance policies, and similar data and assurances with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true condition of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature aforesaid, and such other expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including any reasonable attorneys' fees in any litigation or proceedings affecting this Mortgage, the other Loan Documents, or the Mortgaged Property, including bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings

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or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional indebtedness secured hereby and shall be immediately due and payable by Grantor, with interest thereon at the Default Rate until paid.

(b) Waiver. Grantor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "moratorium laws", now existing or hereafter enacted in order to prevent or hinder the enforcement or foreclosure of this Mortgage, Grantor hereby waives the benefit of any such laws to the extent permitted by law. Grantor, for itself and all who may claim by through, and under Grantor, waives any and all right to have the property and estates comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. In the event of any sale made under or by virtue of this Mortgage, the Mortgaged Property may be sold in one parcel as an entirety or in separate lots or parcels at the same or different times, all as the Lender may determine. Lender shall have the right to become the purchaser at any sale made under or by virtue of this Mortgage and shall have the right to credit against the amount of the bid made by Lender the amount payable to Lender out of the net proceeds of such sale. In the event of any such sale, the indebtedness, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. TO THE FULLEST EXTENT PERMITTED BY LAW, GRANTOR HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ITS RIGHTS OF REINSTATEMENT AND REDEMPTION AS ALLOWED UNDER SECTION 15-1601(b) OF THE ACT, ON BEHALF OF GRANTOR AND EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN, OR TITLE TO, THE MORTGAGED PROPERTY SUBSEQUENT TO THE DATE HEREOF, AND ON BEHALF OF ALL OTHER PERSONS, TO THE EXTENT PERMITTED BY APPLICABLE LAW.

(c) Compliance With Act. In the event that any provision of this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall control 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 Grantor which are more limited than the rights afforded under the Act in the absence of such provisions, Lender shall be vested with the rights granted under the Act to the fullest extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Lender, to the extent reimbursable under Section 15-1510 and 15-1512 of the Act,

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whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Article IX, shall be added to the Indebtedness.

9.3 Application of Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property and any Rents and other amounts generated by the holding, leasing, operation or other use of the Mortgaged Property, shall be applied by Lender (or the trustee or receiver, if one is appointed) in the following order of priority:

(a) first, to the payment of any costs and expenses incurred by Lender from the foreclosure of the Mortgaged Property or the taking of possession of the Mortgaged Property and the holding, using, leasing, repairing, improving and selling of same, including, without limitation, (i) trustee's or receiver's fees, (ii) court costs, (iii) attorneys' or accountants' fees, (iv) costs of advertisement, (v) any and all Impositions, and (vi) without in any way implying Lender's prior consent to the creation thereof, the cost of removing or curing any liens, security interests or other rights, titles or interests equal or superior to the lien and security interest of this Mortgage (except those subject to which the Mortgaged Property has been sold at foreclosure);

(b) second, to the payment of all amounts of the Indebtedness and any other amounts which may be due to Lender under the Loan Documents, excluding the principal balance and accrued but unpaid interest on the Note;

(c) third, to the payment of all accrued but unpaid interest due on the Note;

(d) fourth, to the payment of the principal balance due on the Note;

(e) fifth, at Lender's sole option, and to the extent permitted by law, to the payment of any indebtedness or obligation secured by a subordinate lien on, or security interest in, the Mortgaged Property, provided that Lender shall have no obligation to the holder of such subordinate lien or security interest either to pay such amounts to such holder or to give notice of foreclosure to such holder or otherwise, and further provided that Lender shall be entitled to retain or be paid therefrom an amount equal to any costs or legal fees incurred by Lender in connection therewith; and

(f) sixth, to Grantor.

9.4 Tenancy at Will. In the event of foreclosure, and if at the time of such sale Grantor or any other party occupies the portion of the Mortgaged Property so sold or any part thereof, such occupant shall immediately become the tenant of the purchaser at such sale, which tenancy, at the option of such purchaser, shall be a tenancy at will, at a reasonable rental per day established by such purchaser and based upon the value of the portion of the Mortgaged Property so occupied, such rental to be due and payable daily to the purchaser. An action of forcible detainer shall lie if the tenant holds over after a demand in writing for possession of such Mortgaged Property.

9.5 Discontinuance of Proceedings. Lender shall have the unqualified right to invoke any right, remedy or recourse permitted under the Loan Documents and thereafter to elect to discontinue or abandon same for any reason, and, in such an event, Grantor and Lender shall be restored to their former positions with respect to the Indebtedness, the Obligations, the Loan Documents, the Mortgaged Property and otherwise, and all of the rights, remedies, recourses and powers of Lender shall continue as if same had never been invoked.

9.6 Remedies Cumulative, Concurrent and Nonexclusive. Lender shall have all rights, remedies and recourses granted in the Loan Documents and available at law or equity (including specifically those granted by the Uniform Commercial Code of Illinois or New York, as the case may be) and same (a) shall be cumulative and concurrent, (b) may be pursued separately, successively or concurrently against Grantor, any Guarantor or against the Mortgaged Property, or against any one or more of them, at the sole discretion of Lender, (c) may be exercised as often as occasion therefor shall arise, it being agreed by Grantor that the exercise or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive.

9.7 No Release Implied. Neither Grantor nor any Guarantor shall be relieved of any obligation hereunder by reason of (a) the failure of Lender to comply with any request of Grantor or any Guarantor to foreclose the lien of this Mortgage or to enforce any provisions of the other Loan Documents, (b) any agreement or stipulation between Grantor or any subsequent owner of the Mortgaged Property and Lender extending, renewing, rearranging or in any other way modifying the terms of the Loan Documents without first having obtained the consent of, given notice to or paid any consideration to Grantor or any Guarantor and in such event Grantor and Guarantor shall continue to be liable to make payment according to the terms of such extension or modification agreement unless

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expressly released and discharged in writing by Lender, or (c) by any other act or occurrence, save and except the complete release of this Mortgage by Lender.

9.8 Release of and Resort to Collateral. Lender may release, regardless of consideration, any part of the Mortgaged Property without in any way impairing, affecting, subordinating or releasing the lien or security interest created in or evidenced by the Loan Documents as to the remainder and without affecting the priority of such liens existing on the date hereof. For payment of the Indebtedness, Lender may resort to any other security therefor held by or otherwise given to Lender in such order and manner as Lender may elect without in any way affecting the lien and security interests hereof.

ARTICLE X

INTENTIONALLY OMITTED

ARTICLE XI

SECURITY AGREEMENT

11.1 Security Interest. This Mortgage (a) shall be construed as a mortgage on real property, and (b) shall also constitute and serve as a "Security Agreement" on personal property within the meaning of the Uniform Commercial Code of Illinois with respect to any portion of the Mortgaged Property for which the granting of a security interest therein is governed by said Uniform Commercial Code and other similar laws. To this end, Grantor has GRANTED, CONVEYED and ASSIGNED, and by these presents, does GRANT, CONVEY, and ASSIGN, unto Lender, a security interest in and to all of the Mortgaged Property considered to be personal property governed by the Uniform Commercial Code and other similar statutes concerning the granting of security interests therein, subject only to the Permitted Encumbrances, to secure the full and timely payment of the Indebtedness and the full and timely performance of the Obligations. It is the intent of Grantor and Lender that this Mortgage shall encumber all Fixtures, Personal Property, Leases, Rents, Water and Utility Rights and Proceeds and, therefore, all items contained in the definition of "Fixtures", "Personal Property", "Leases", "Rents", "Water and Utility Rights" and "Proceeds" which are governed by the applicable Uniform Commercial Code shall be covered by the security interest granted hereby, and all items contained in the definition of "Fixtures", "Personal Property", "Leases", "Rents", "Water and Utility Rights" and

"Proceeds" which are not governed by the applicable Uniform Commercial Code shall be covered by the provisions hereof relating to the granting of security interests in real property.

11.2 Fixture Filing. Some of the items of the Mortgaged Property described herein are goods that are, or are intended to become, fixtures related to the land, and it is intended that, as to those goods, this instrument shall be effective as a financing statement and fixtures filing from the date of its filing for record in the real estate records of the county in which the Mortgaged Property is situated. Information concerning the security interest created by this instrument may be obtained from Lender, as the secured party, at the address of Lender stated below. The mailing address of the Grantor as debtor shall be the address stated below for the Grantor.

11.3 Financing Statements. Grantor hereby agrees with Lender to execute and deliver to Lender such "Financing Statements" and such further assurances as Lender may, from time to time, reasonably consider necessary to create, perfect and preserve the security interests created hereby and Lender may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law, to so create, perfect and preserve such security interest.

11.4 Notice of Changes. Grantor shall give advance notice in writing to Lender of any proposed change in Grantor's name, identity or structure (without implying Lender's consent or any obligation on the part of Lender to consent to any such change) and shall execute and deliver to Lender, prior to or concurrently with the occurrence of any such change, all additional financing statements that Lender may reasonably require to establish and maintain the validity and priority of Lender's security interest with respect to any of the Mortgaged Property.

11.5 Uniform Commercial Code Remedies. Lender shall have all the rights, remedies and recourses with respect to the Mortgaged Property covered by the security interest granted hereby which are afforded to it by the applicable Uniform Commercial Code of Illinois or New York, as the case may be, in addition to, and not in limitation of, the other rights, remedies and recourses afforded by the Loan Documents, and Lender may dispose of such property in accordance with the foreclosure procedures hereof regarding the foreclosure of the lien of this Mortgage on real property in lieu of proceeding under the Uniform Commercial Code of Illinois or New York, as the case may be. If Lender should dispose of any of the Mortgaged Property pursuant to the Uniform Commercial Code, five (5) days written notice by Lender to Grantor shall be deemed to be reasonable notice.

11.6 No Obligation of Lender. The assignment and security interest herein granted shall not be deemed or construed to constitute Lender as a trustee or mortgagee in possession of the Mortgaged Property, to obligate Lender to lease the Mortgaged Property or attempt to do same, or to take any action, incur any expense or perform or discharge any obligations, duty or liability whatsoever under any of the Leases or otherwise.

ARTICLE XII

MISCELLANEOUS

12.1 Collection. Grantor agrees to pay, upon demand, any and all costs incurred in collecting any amounts due under this Mortgage, including, but not limited to, all attorneys' fees, expenses and court costs, whether or not any legal action shall be instituted to enforce this Mortgage in bankruptcy court, probate court or any other court, or in any other manner.

12.2 Change in Ownership. If the ownership of the Mortgaged Property (legal or beneficial) or any part thereof becomes vested in a person or entity other than Grantor, or in the event of a change of ownership (legal or beneficial) of Grantor, Lender may, without notice to Grantor, deal with such successor or successors in interest with reference to this instrument and to the Indebtedness in the same manner as with Grantor without in any way violating or discharging Grantor's liability hereunder or upon the Indebtedness. No sale of the Mortgaged Property, and no forbearance on the part of Lender, and no extension of time for the payment of the Indebtedness, shall operate to release or affect the original liability of Grantor.

12.3 Partial Release of Lien or Additional, etc. Any part of the Mortgaged Property may be released by Lender without affecting the lien, security interest or assignment hereof against the remainder. The lien, security interest and other rights granted hereby shall not affect or be affected by any other security taken for the Indebtedness. The taking of additional security shall not release or impair the lien, security interest and other rights granted hereby, or affect the liability of any endorser or Guarantor or improve the right of any permitted junior lienholder and this Mortgage shall be and remain a lien subject only to the Permitted Encumbrances on all of the Mortgaged Property not expressly released until the Indebtedness is paid.

12.4 No Waiver. No waiver of any default on the part of Grantor or breach of any of the provisions of this instrument or of any other instrument executed in connection with the Indebtedness shall be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing the

rights and powers herein granted shall be construed as a waiver of such rights and powers, and likewise no exercise or enforcement of any rights or powers hereunder shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time. Acceptance by Lender of partial payments shall not constitute a waiver of the default by failure to make full payments and acceptance by Lender of late payments shall not constitute a waiver of Grantor's obligation to make timely payments in the future.

12.5 Successors and Assigns; Use of Terms. The covenants herein contained shall bind, and the benefits and advantages hereof shall inure to, the respective heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural and the plural the singular, and the use of any gender shall be applicable to all genders. The duties, covenants, conditions, obligations, and warranties of Grantor in this instrument shall be joint and several obligations of Grantor and of each Grantor, if more than one, and of each Grantor's heirs, personal representatives, successors and assigns. Each party who executes this instrument and each subsequent owner of the Mortgaged Property, or any part thereof (other than Lender or any purchaser at foreclosure), covenants and agrees that it will perform, or cause to be performed, each term and covenant of this instrument as if such party were the named Grantor.

12.6 Joint and Several Liability. If this Mortgage is executed by more than one party, each such party shall be jointly and severally liable for the obligations of Grantor under this Mortgage.

12.7 Lender's Consent. In any instance hereunder where Lender's approval or consent is required or the exercise of Lender's judgment is required, the granting or denial of such approval or consent and the exercise of such judgment shall, except as otherwise expressly provided herein, be within the sole discretion of Lender, and Lender shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner regardless of the reasonableness of either the request or Lender's judgment.

12.8 Severability. If any provision of this instrument is held to be illegal, invalid, or unenforceable under present or future laws effective while this instrument is in effect, the legality, validity and enforceability of the remaining provisions of this instrument shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this instrument a provision that is legal, valid and enforceable and as similar in terms to

such illegal, invalid and unenforceable provision as may be possible. If any of the Indebtedness shall be unsecured, the unsecured portion of the Indebtedness shall be completely paid prior to the payment of the secured portion of such Indebtedness, and all payments made on account of the Indebtedness shall be considered to have been paid on and applied first to the complete payment of the unsecured portion of the Indebtedness.

12.9 Entire Agreement. The Loan Documents constitute the entire understanding and agreement between Grantor and Lender with respect to the transactions arising in connection with the Indebtedness and supersede all prior written or oral understandings and agreements between Grantor and Lender in connection therewith.

12.10 Modification or Termination. The Loan Documents may only be modified or terminated by a written instrument or instruments executed by the party against which enforcement of the modification or termination is asserted.

12.11 No Partnership. Nothing contained in the Loan Documents is intended to create any partnership, joint venture or association between Grantor and Lender, or in any way make Lender a co-principal with Grantor with reference to the Mortgaged Property or the Indebtedness, and any inferences to the contrary are hereby expressly negated.

12.12 Headings. The Article, Paragraph and Subparagraph headings hereof are inserted for convenience of reference only and shall not alter, define, or be used in construing the text of such Articles, Paragraphs or Subparagraphs.

12.13 Subordination. The rights of any person or entity to be subrogated to the liens hereof by virtue of the payment or satisfaction of any portion of the Indebtedness shall be subordinated and remain inferior to the rights of Lender hereunder until all of the Indebtedness shall have been paid in full and Lender shall have released its rights hereunder, and any such person or entity shall be regarded as a junior lienholder at any foreclosure proceeding and shall not be entitled to notice thereof and, until Lender is fully paid, shall not be entitled to participate in any proceeds therefrom.

12.14 Subrogation. To the extent funds are at any time advanced by Lender under any of the Loan Documents for the purpose of paying an indebtedness now or hereafter secured by any liens or security interests other than the liens and security interests created by this Mortgage, the Lender shall be subrogated to any and all rights, liens, security interests and equities owned or claimed by the holder of such other liens and security interests. Such other liens and security interests, if any, are not waived, but

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rather are hereby renewed, extended and continued in full force and effect in favor of Lender and are merged with the liens and security interests created herein as cumulative security for the repayment of the Indebtedness and the satisfaction of the Obligations. Except with respect to the priority of any lien to which the Lender is subrogated pursuant to this provision, the terms and provisions of this instrument shall govern the rights and remedies of the Lender and shall supersede the rights and remedies provided under any instrument creating liens to which the Lender is subrogated.

12.15 Notice of Default. Lender shall have no obligation to give notice of any default or Event of Default hereunder except as expressly provided herein or in any other Loan Document.

12.16 Covenants Running with the Land. All of the obligations of Grantor hereunder shall be construed as covenants running with the Land.

12.17 Counterparts. This Mortgage may be executed in one or more counterparts which shall be construed together as one document. Any party who executes a counterpart of this Mortgage shall be fully liable hereunder whether or not any other party named herein executes that counterpart or any other counterpart of this Mortgage, and the obligations of any party hereunder may be proved by production of a counterpart of this Mortgage executed by such party without the production of any other counterparts of this Mortgage.

12.18 Applicable Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois from time to time in effect except to the extent preempted by United States federal laws.

12.19 Estoppel Certificates. Grantor will from time to time, at Lender's request, furnish Lender (or any person designated by Lender) a statement certified by Grantor in form satisfactory to Lender showing as of the date of the certificate the unpaid principal balance and accrued interest on the Note and stating that Grantor is not in default hereunder (or describing any default), and stating that Grantor has no defense, right of set off or counterclaim to the payment of the Indebtedness, or any part thereof, or the observance or performance of any Obligation (or describing any such defense, setoff or counterclaim). Any purchaser or assignee of the Note or any other Loan Document of any interest therein may rely on such certificate.

12.20 Time of Essence. Time is of the essence of this Mortgage and of each provision hereof.

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12.21 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed received (i) three (3) Business Days after being deposited in the United States mail, registered or certified, return receipt requested, (ii) one (1) Business Day after being deposited with a nationally recognized overnight courier service, or (iii) upon receipted delivery if sent by personal messenger, in each case with postage/delivery prepaid or billed to sender and addressed as follows:

If to Grantor:

M.B. Walton, Inc.
6250 River Road
Rosemont, Illinois 60018
Attention: Arthur P. Frigo

with a copy to:

Schoenberg Fisher & Newman, Ltd.
222 South Riverside Plaza
Suite 2700
Chicago, Illinois 60606
Attention: Melvin S. Newman, Esq.

If to Lender:

Citibank, N.A.
153 East 53rd Street
New York, New York 10043
Attention: Stephen Giannakakis

with a copy to:

Citibank, N.A.
c/o Citicorp North America, Inc.
500 West Madison Street
Suite 3550
Chicago, Illinois 60661
Attention: Joseph M. Kosich

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and to:

Neal Gerber & Eisenberg
Two North LaSalle Street
Suite 2100
Chicago, Illinois 60602
Attention: Cathleen M. Bishop, Esq.

Notices sent in any other manner shall be deemed received upon actual receipt thereof. Any party may change its address for purposes of notice hereunder by delivering notice thereof as aforesaid.

IN WITNESS WHEREOF, the parties hereto have caused this Mortgage to be executed as of the date first written above.

GRANTOR:

M.B. WALTON, INC.,
a Delaware corporation

By: 

Title: President

Exhibit A -- Legal Description
Exhibit B -- Permitted Encumbrances

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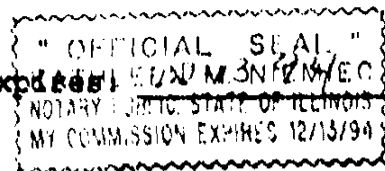
STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said county, in the State aforesaid, hereby certifies that GRACE P. WALTON, the SALESMAN of M.B. WALTON, INC., a Delaware corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10th day of April 1992.

William M. Hume
NOTARY PUBLIC

Commission Expires



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EXHIBIT A

Description of the Land

Lots 15 to 20 inclusive in Flint's Addition to Chicago in the South West 1/4 of Section 12, Township 39 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

Address: 3005 West Carroll Avenue, Chicago, Illinois

P.I.N.: 16-12-305-002

Property of Cook County Clerk's Office

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EXHIBIT B

Permitted Encumbrances

1. Taxes for the years 1991 and subsequent years, to the extent not yet due and payable.
2. Grant by Universal Foods Corporation to Commonwealth Edison Company dated April 28, 1953 and recorded May 7, 1953 as Document No. 15611560, of authority to construct, operate, renew, repair and replace poles, cables and wires for transmission of electric energy over, in, under and across the West 10 feet and South 22 feet of Lot 15.

Property of Cook County Clerk's Office

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