

COOK COUNTY, ILLINOIS
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2241-2315 NORTH ELSTON
COOK COUNTY, ILLINOIS

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THIS INSTRUMENT WAS PREPARED BY
AND UPON RECORDING RETURN TO:

Paul E. Meyer, Esq.
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60603

MORTGAGE, ASSIGNMENT OF LEASES
AND RENTS, SECURITY AGREEMENT and FINANCING STATEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT and FINANCING STATEMENT (herein sometimes called "Mortgage") is made as of March 31, 1994 by CHICAGO SUN-TIMES, INC., a Delaware corporation (herein, together with its successors and assigns, the "Mortgagor"), and having its address at c/o The Sun-Times Company, 401 North Wabash Avenue, Chicago, Illinois 60611 for the benefit of TORONTO DOMINION (TEXAS), INC., as administrative agent for the Lenders (as defined in the Agreement [hereinafter defined]) (herein as administrative agent for itself and for the other Lenders who are or may become parties to the hereinafter defined Agreement, together with its successors and assigns, called the "Mortgagee") having its address at 909 Fannin, Suite 1700, Houston, Texas 77010, Attention: Manager, Agency.

RECITALS

A. Facility B Credit Agreement, Promissory Note and Letters of Credit. Pursuant to a certain Facility B Credit Agreement dated as of March 31, 1994 (herein, as the same may be amended, supplemented, revised or restated from time to time, called the "Agreement") for, among other things, a convertible revolving line of credit by and between The Sun-Times Company, a Delaware corporation (the "Borrower"), as borrower thereunder, and the Mortgagee, as lender thereunder, the Borrower has executed and delivered to the Lenders those certain Promissory Notes (herein, such notes, together with any and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof, shall collectively be called the "Notes") each due and payable in full if not sooner paid on or before March 31, 2001, each subject to acceleration as set forth in the Agreement, in the original aggregate face principal amount of Eighty Million and No/100 Dollars (\$80,000,000.00) which amount shall be adjusted as set forth in the Agreement, bearing interest as provided in the Notes on the principal amount thereof from time to time outstanding. In addition, Borrower has the right, pursuant to the terms of the Agreement, to request that the Issuing Bank (as defined in the Agreement) issue letters of credit in the aggregate amount of Eight Hundred

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Thousand and No/100 Dollars (\$800,000.00), expiring no later than March 28, 1995 (herein, such letters of credit, together with all renewals, extensions and modifications thereof, are collectively referred to as the "Letters of Credit"). The indebtedness evidenced by the Notes will be used by the Borrower for the purposes set forth in the Agreement. The Mortgagor is a wholly owned subsidiary of the Borrower and is or will be benefitted by the loans to the Borrower in the amounts evidenced by the Notes and the Letters of Credit (the "Loan Amount") in accordance with the terms of the Notes, the Letters of Credit and the Agreement. Unless otherwise defined herein, terms used herein which are defined or defined by reference in the Agreement or any exhibit thereto shall have the same meanings when used herein as such terms have therein.

B. Loan Documents. The Notes, the Letters of Credit, the Agreement, and any other documents and instruments executed and delivered by or for the benefit of the Mortgagor in connection with the Notes, the Letters of Credit or the Agreement or as security therefor, including, without limitation, the Hedging Agreements (as defined in the Agreement) entered into by the Borrower with any Lender or for the purpose of supplementing or amending all or any of the foregoing, all of which, as the same may be amended, modified or supplemented from time to time, are hereinafter referred to as the "Loan Documents"; provided, however, that the Loan Documents shall not include the Facility A Credit Agreement dated as of March 31, 1994 by and between the Borrower and the Mortgagee (the "Facility A Agreement") or any documents and instruments executed and delivered by or for the benefit of the Mortgagor in connection with the Facility A Agreement.

C. The Liabilities. As used in this Mortgage, the term "Liabilities" means and includes all of the following: (i) all performance and payment obligations to the Mortgagee and its successors and assigns of the Borrower and/or the Mortgagor under or in connection with the Notes, the Letters of Credit or any of the other Loan Documents and (ii) all other obligations of the Borrower and/or the Mortgagor, to the Mortgagee, in each case howsoever created, arising or evidenced, whether direct or indirect, joint or several, absolute or contingent, or now or hereafter existing, or due or to become due, arising out of or in connection with the Notes, the Letters of Credit or any of the other Loan Documents, including, without limitation, all indebtedness of any kind arising under, and all amounts of any kind which at any time become due or owing to the Mortgagee under or with respect to, this Mortgage, all of the covenants, obligations and agreements in, under or pursuant to the Notes, the Letters of Credit, this Mortgage, and the other Loan Documents, any and all advances, costs or expenses paid or incurred by the Mortgagee to protect any or all of the Collateral (hereinafter defined) and other collateral under the Loan Documents, to perform any obligation of the Borrower and/or the Mortgagor hereunder and any obligation of the Borrower and/or the Mortgagor under the Loan Documents or collect any amount owing to the Mortgagee which is secured hereby or under the Loan Documents (provided, however, that the maximum amount included within the Liabilities on account of principal shall not exceed the sum of an amount equal to three times the Loan Amount plus the total amount of all advances made by the Mortgagee to protect the Collateral and the security interest and lien created hereby); interest on all of the foregoing; and all costs of enforcement and collection (including, without limitation, attorneys' fees and court costs) of this Mortgage, the Loan Documents and the Liabilities. The Liabilities evidenced by the Notes constitutes "revolving credit" as that term is defined in 815 ILCS 205/4.1, as amended and as the same may hereafter be amended, from time to time. Any future advances under the Notes or the Letters of Credit or Hedging Agreements entered

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into by the Borrower with any Lender, whether obligatory or made at the option of Mortgagee, shall be secured by this Mortgage, and shall be entitled to the same priority as if such future advances were made on the date hereof.

D. The Collateral. For purposes of this Mortgage, the term "Collateral" means and includes all right, title and interest of the Mortgagor, if any, in and to all of the following:

(i) Real Estate. All of the land described on Exhibit A attached hereto (the "Land"), together with all and singular the tenements, rights, easements, hereditaments, rights of way, privileges, liberties, appendages and appurtenances now or hereafter belonging or in anywise appertaining to the Land (including, without limitation, all rights relating to storm and sanitary sewer, water, gas, electric, railway and telephone services); all development rights, air rights, water, water rights, water stock, gas, oil, minerals, coal and other substances of any kind or character underlying or relating to the Land; all estate, claim, demand, right, title or interest of the Mortgagor in and to any street, road, highway, or alley (vacated or otherwise) adjoining the Land or any part thereof; all strips and gores belonging, adjacent or pertaining to the Land; and any after-acquired title to any of the foregoing (all of the foregoing is herein referred to collectively as the "Real Estate");

(ii) Improvements and Fixtures. All buildings, structures, replacements, furnishings, fixtures, fittings and other improvements and property of every kind and character now or hereafter located or erected on the Real Estate, together with all building or construction materials, equipment, appliances, machinery, plant equipment, fittings, apparatus, fixtures and other articles of any kind or nature whatsoever now or hereafter found on, affixed to or attached to the Real Estate, including (without limitation) all motors, boilers, engines and devices for the operation of pumps, and all heating, electrical, lighting, power, plumbing, air conditioning, refrigeration and ventilation equipment (all of the foregoing is herein referred to collectively as the "Improvements");

(iii) Personal Property. All furniture, furnishings, equipment (including, without limitation, telephone and other communications equipment, window cleaning, building cleaning, monitoring, garbage, air conditioning, pest control and other equipment) and all other tangible property of any kind or character now or hereafter owned or purported to be owned by the Mortgagor and used or useful in connection with the Real Estate, regardless of whether located on the Real Estate or located elsewhere including, without limitation, all rights of the Mortgagor under any lease to furniture, furnishings, fixtures and other items of personal property at any time during the term of such lease and all rights under and to the escrow accounts, if any, and all interest thereon established and maintained pursuant to Section 1.18 of Article I below (all of the foregoing is herein referred to collectively as the "Goods");

(iv) Intangibles. All goodwill, trademarks, trade names, option rights, purchase contracts, books and records and general intangibles of the Mortgagor relating to the Premises and all accounts, contract rights, instruments, chattel paper and other rights of the Mortgagor for payment of money to it for property sold or lent by it, for services rendered by it, for money lent by it, or for advances or deposits made by it, and any other intangible property of the Mortgagor related to the Real Estate or the Improvements (all of the foregoing is herein referred to collectively as the "Intangibles");

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(v) Rents. All rents, issues, profits, royalties, avails, income and other benefits derived or owned by the Mortgagor directly or indirectly from the Premises (all of the foregoing is herein collectively called the "Rents");

(vi) Leases. All rights of the Mortgagor under all leases, licenses, occupancy agreements, concessions or other arrangements, whether written or oral, whether now existing or entered into at any time hereafter, whereby any person agrees to pay money to the Mortgagor or any consideration for the use, possession or occupancy of, or any estate in, the Premises or any part thereof, and all rents, income, profits, benefits, avails, advantages and claims against guarantors under any thereof (all of the foregoing is herein referred to collectively as the "Leases");

(vii) Plans. All rights of the Mortgagor, if any, to plans and specifications, designs, drawings and other matters prepared in connection with the Premises (all of the foregoing is herein called the "Plans");

(viii) Contracts for Services. All rights of the Mortgagor, if any, under any contracts executed by the Mortgagor with any provider of goods or services for or in connection with any construction undertaken on, or services performed or to be performed in connection with, the Real Estate, including any architect's contract and any management agreement (all of the foregoing is herein referred to collectively as the "Contracts for Services");

(ix) Contracts for Sale or Financing. All rights of the Mortgagor, if any, as seller or borrower under any agreement, contract, understanding or arrangement pursuant to which the Mortgagor has or may hereafter have, with the prior written consent of the Mortgagee, obtained the agreement of any person to pay or disburse any money for the Mortgagor's sale (or borrowing on the security) of the Collateral or any part thereof (all of the foregoing is herein referred to collectively as the "Contracts for Sale"); and

(x) Other Property. All other property or rights of the Mortgagor of any kind or character related to the Real Estate or the Improvements, and all proceeds (including insurance and condemnation proceeds) and products of any of the foregoing. (All of the Real Estate and the Improvements, and any other property which is real estate under applicable law, is sometimes referred to collectively herein as the "Premises").

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NOW THEREFORE, for and in consideration of the Mortgagee's making any loan, advance or other financial accommodation to or for the benefit of the Borrower and/or the Mortgagor, including sums advanced under the Notes, any Hedging Agreements or the Letters of Credit, and in consideration of the various agreements contained herein, in the Notes, any Hedging Agreements, the Letters of Credit and in the Loan Documents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Borrower and the Mortgagor, and in order to secure the full, timely and proper payment and performance of each and every one of the Liabilities,

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THE MORTGAGOR HEREBY MORTGAGES, WARRANTS, CONVEYS, TRANSFERS AND ASSIGNS TO THE MORTGAGEE, AND GRANTS TO THE MORTGAGEE AND ITS SUCCESSORS AND ASSIGNS FOREVER, A CONTINUING SECURITY INTEREST IN AND TO, ALL OF THE COLLATERAL,

TO HAVE AND TO HOLD the Premises unto the Mortgagee, its successors and assigns, forever, hereby expressly waiving and releasing any and all right, benefit, privilege, advantage or exemption under and by virtue of any and all statutes and laws of the state or other jurisdiction in which the Real Estate is located providing for the exemption of homesteads from sale on execution or otherwise.

The Mortgagor hereby covenants with and warrants to the Mortgagee and with the purchaser at any foreclosure sale that at the execution and delivery hereof it is well seized of the Premises, and of a good, indefeasible estate therein, in fee simple; that the Collateral is free from all encumbrances whatsoever (and any claim of any other person thereto) other than the security interest granted to the Mortgagee herein and pursuant to the Loan Documents and the encumbrances and other matters set forth in the title insurance policy insuring the lien of this Mortgage in favor of the Mortgagee (the "Permitted Exceptions"); that it has good and lawful right to sell, mortgage and convey the Collateral; and that it and its successors and assigns will forever warrant and defend the Collateral against all claims and demands whatsoever with the exception of the Permitted Exceptions.

I. COVENANTS AND AGREEMENTS OF THE MORTGAGOR

Further to secure the payment and performance of the Liabilities, the Mortgagor hereby covenants, warrants and agrees with the Mortgagee as follows:

1.1 Payment of Liabilities. The Mortgagor agrees that it will pay, or will cause to be paid, timely and in the manner required in the appropriate documents or instruments, all amounts due under the Notes and all other Liabilities (including fees and charges). All sums payable by the Mortgagor hereunder shall be paid without demand, counterclaim, offset, deduction or defense. The Mortgagor waives all rights now or hereafter conferred by statute or otherwise to any such demand, counterclaim, offset, deduction or defense.

1.2 Payment of Taxes. Subject to Section 1.19 of Article I hereof, the Mortgagor will pay or cause to be paid before delinquent all taxes and assessments, general or special, and any and all levies, claims, charges, expenses and liens, ordinary or extraordinary, governmental or non-governmental, statutory or otherwise, due or to become due, that may be levied, assessed, made, imposed or charged on or against the Collateral or any property used in connection therewith, and will pay before due any tax or other charge on the interest or estate in lands created or represented by this Mortgage or by any of the Loan Documents, whether levied against the Mortgagor or the Mortgagee or otherwise, and will submit to the Mortgagee all receipts showing payment of all of such taxes, assessments and charges.

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1.3 Maintenance and Repair. The Mortgagor will: not abandon the Premises; not do or suffer anything to be done which would depreciate or impair the value of the Collateral or the security of this Mortgage; not remove or demolish any of the Improvements unless such removal or demolition is done contemporaneously with changes, additions or alterations to the Premises or Improvements deemed necessary by Mortgagor in the exercise of its prudent business judgment; pay promptly for all labor and materials for all construction, repairs, demolition and improvements to or on the Premises; not make any changes, additions or alterations to the Premises or the Improvements except as required by any applicable governmental requirement or as otherwise deemed necessary by Mortgagor in the exercise of its prudent business judgment; maintain, preserve and keep the Goods and the Improvements in good, safe and insurable condition and repair and promptly make any needful and proper repairs, replacements, renewals, additions or substitutions required by wear, damage, obsolescence or destruction, all as promptly as possible under the circumstances but in all cases in compliance with any time period provided under applicable requirements of governmental authorities and insurance underwriters; not commit, suffer, or permit waste of any part of the Premises; and maintain all grounds and abutting streets and sidewalks in good and neat order and repair.

1.4 Sales; Liens. Except as permitted in the Agreement, the Mortgagor will not: sell, contract to sell, assign, transfer or convey, or permit to be transferred or conveyed, the Collateral or any part thereof or any interest or estate in any thereof (including any conveyance into a trust or any conveyance of the beneficial interest in any trust that may be holding title to the Premises) or remove any of the Collateral from the Premises or from the state in which the Real Estate is located; or create, suffer or permit to be created or to exist any mortgage, lien, claim, security interest, charge, encumbrance or other right or claim of any kind whatsoever upon the Collateral or any part thereof, except those of current taxes not then due and payable, the Permitted Exceptions and mechanic's liens being diligently contested in good faith and continuing in accordance with Section 1.19 of Article I hereof.

1.5 Access by Mortgagee. The Mortgagor will at all times: deliver to the Mortgagee either all of its executed originals (in the case of chattel paper or instruments) or (in all other cases), if requested by Mortgagee, certified copies of all Leases, agreements creating or evidencing Intangibles, Plans, Contracts for Services, Contracts for Sale, all amendments and supplements thereto, and any other document which is, or which evidences, governs, or creates, Collateral; permit access at reasonable times by the Mortgagee to the Mortgagor's books and records; permit the Mortgagee to inspect construction progress reports, tenant registers, sales records, insurance policies and other papers pertaining to the Collateral for examination and the making of copies and extracts; prepare such schedules, summaries, reports and progress schedules as the Mortgagee may reasonably request; and permit the Mortgagee and its agents and designees, to enter on and inspect the Premises at all reasonable times and, so long as no Event of Default has occurred and is continuing, upon prior notice to Mortgagor.

1.6 Stamp and Other Taxes. If the Federal, or any state, county, local, municipal or other, government or any subdivision of any thereof having jurisdiction, shall levy, assess or charge any tax (excepting therefrom any income tax on the Mortgagee's receipt of interest payments on the principal portion of the Loan Amount), assessment or imposition upon this Mortgage, the Notes, any of the other

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Liabilities, or any of the other Loan Documents, the interest of the Mortgagee in the Collateral, or any of the foregoing, or upon the Mortgagee by reason of or as holder of any of the foregoing, or shall at any time or times require revenue stamps to be affixed to this Mortgage, the Notes, or any of the other Loan Documents, the Mortgagor shall pay, or cause to be paid, all such taxes and stamps to or for the Mortgagee as they become due and payable. If any law or regulation is enacted or adopted permitting, authorizing or requiring any tax, assessment or imposition to be levied, assessed or charged, which law or regulation prohibits the Mortgagor from paying the tax, assessment, stamp, or imposition to or for the Mortgagee, then such event shall constitute an Event of Default hereunder and all sums hereby secured shall become immediately due and payable at the option of the Mortgagee.

1.7 ~~Insurance~~. The Mortgagor will at all times maintain or cause to be maintained on the Goods, the Improvements and on all other Collateral, all insurance reasonably required at any time or from time to time by the Mortgagee and in any event all-risk property insurance covering, without limitation, fire, extended coverage, vandalism and malicious mischief, in an amount which is not less than 100% of the replacement cost of the Improvements (not including any footers and foundations) and Goods without consideration for depreciation, with an inflation guard endorsement, insurance against business interruption for such occurrences and in such amounts as the Mortgagee may reasonably require, and insurance against flood if required by the Federal Flood Disaster Protection Act of 1973 and regulations issued thereunder, and comprehensive general public liability insurance, protecting the Mortgagor in an amount reasonably acceptable to the Mortgagee, and all other insurance commonly or, in the judgment of the Mortgagee, prudently maintained by those whose business, improvement to, and use of real estate is similar to that of the Mortgagor, all in amounts reasonably satisfactory to the Mortgagee, and all of such insurance to be maintained in such form and with such companies as shall be approved by the Mortgagee, and to deliver to and keep deposited with the Mortgagee original certificates and certified copies of all policies of such insurance and renewals thereof, with premiums prepaid, and with standard non-contributory mortgagee and loss payable clauses satisfactory to the Mortgagee, and clauses providing for not less than 30 days' prior written notice to the Mortgagee of cancellation or material modification of such policies attached thereto in favor of the Mortgagee and successors and assigns of each. All of the above-mentioned original insurance policies or certified copies of such policies and certificates of such insurance satisfactory to the Mortgagee, together with receipts for the payment of premiums thereon, shall be delivered to and held by the Mortgagee, which delivery shall constitute an assignment to the Mortgagee of all return premiums to be held as additional security hereunder. The liability insurance policies required hereunder shall name the Mortgagee as an additional insured. All renewal and replacement policies shall be delivered to the Mortgagee at least thirty (30) days before the expiration of the expiring policies. Subject to the terms of the immediately succeeding paragraph, the Mortgagor agrees that any loss paid to the Mortgagee under any of such policies shall be applied, at the option of the Mortgagee, toward pre-payment of the Notes or any of the other Liabilities, or to the rebuilding or repairing of the damaged or destroyed Improvements or other Collateral, as the Mortgagee in its sole and unreviewable discretion may elect (which election shall not relieve the Grantor of the duty to rebuild or repair).

Notwithstanding the foregoing, the Mortgagee shall consent to the application of any proceeds of said insurance to the restoration of the Collateral so damaged if and only if Mortgagor fulfills all of the following conditions not waived in writing by Mortgagee: (i) that no Event of Default or event

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which, with the giving of notice or passage of time, or both, would constitute an Event of Default, has occurred and is continuing under this Mortgage or the Loan Documents; (ii) the Mortgagee is satisfied that the insurance proceeds shall be sufficient to fully restore and rebuild the Collateral free and clear of all liens except the lien of this Mortgage and the Permitted Exceptions, or in the event that such proceeds are in Mortgagee's sole judgment insufficient to restore and rebuild the Collateral, then Mortgagor shall deposit upon demand the shortfall with Mortgagee; (iii) that the excess of said insurance proceeds above the amount necessary to complete such restoration or rebuilding, if any, shall be applied as a reduction in the principal amount of the Notes; and (iv) any and all monies which are made available for restoration and rebuilding hereunder shall be disbursed through Mortgagee, the title company insuring this Mortgage, or a title insurance and trust company satisfactory to Mortgagee, in accordance with prudent construction lending practice, including, if requested by Mortgagee, monthly lien waivers and title insurance date-downs, or in any other manner approved by Mortgagee.

The Mortgagor hereby empowers the Mortgagee, in its discretion, to settle, compromise and adjust any and all claims or rights under any insurance policy maintained by the Mortgagor relating to the Collateral; provided, however, that so long as no Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, has occurred and remains uncured, Mortgagor shall have the right, subject to Mortgagee's approval for amounts in excess of \$500,000, which approval shall not be unreasonably withheld or delayed, to settle and compromise such claims. In the event of foreclosure of this Mortgage or other transfer of title to the Premises in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee. Nothing contained in this Mortgage shall create any responsibility or obligation on the Mortgagee to collect any amounts owing on any insurance policy or resulting from any condemnation, to rebuild or replace any damaged or destroyed Improvements or other Collateral or to perform any other act hereunder. The Mortgagee shall not by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of insurance contracts, solvency of insurance companies, or payment or defense of lawsuits, and the Mortgagor hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

1.8 Eminent Domain. In case the Collateral, or any part or interest in any thereof, is taken by condemnation, the Mortgagee is hereby empowered to collect and receive all compensation and awards of any kind whatsoever (referred to collectively herein as "Condemnation Awards") which may be paid for any property taken or for damages to any property not taken (all of which the Mortgagor hereby assigns to the Mortgagee), and all Condemnation Awards so received shall be forthwith applied by the Mortgagee, as it may elect in its sole and unreviewable discretion, to the prepayment of the Notes or any of the other Liabilities, or to the repair and restoration of any property not so taken or damaged, provided, however, that no election made by the Mortgagee under this section shall relieve the Mortgagor of the duty to repair and restore; provided, however, the Mortgagee shall consent to the application of the Condemnation Awards to the restoration of the Collateral so damaged if the Mortgagor fulfills the conditions set forth in the second paragraph of Section 1.7 of this Article I. The Mortgagor hereby empowers the Mortgagee, in the Mortgagee's absolute discretion, to settle, compromise and adjust any and all claims or rights arising under any condemnation or eminent domain proceeding relating to the Collateral or any portion thereof; provided, however, that so long as no Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an

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Event of Default, has occurred and remains uncured, Mortgagor shall have the right, subject to Mortgagee's approval for amounts in excess of \$500,000, which approval shall not be unreasonably withheld or delayed, to settle and compromise such claims.

1.9 Governmental Requirements. The Mortgagor will at all times fully comply with, and cause the Collateral and the use and condition thereof fully to comply with, all federal, state, county, municipal, local and other governmental statutes, ordinances, requirements, regulations, rules, orders and decrees of any kind whatsoever that apply or relate to the Mortgagor or the Collateral or the use thereof, including, without limitation, all laws relating to handicapped access to the Premises, and will observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, franchises and concessions (including, without limitation, those relating to land use and development, landmark presentation, construction, access, water rights and use, noise, environmental pollution and hazardous waste and substances), and will observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, franchises and concessions (including, without limitation, those relating to land use and development, construction, access, water rights and use, noise, environmental pollution and hazardous waste and substances) which are applicable to the Mortgagor or have been granted for the Collateral or the use thereof. Unless required by applicable law, or unless Mortgagee has otherwise first agreed in writing, the Mortgagor shall not make or allow any changes to be made in the nature of the occupancy or use of the Premises or any portion thereof for which the Premises or such portion was intended at the time this Mortgage was delivered other than any changes in occupancy or use made by the Mortgagor in the ordinary course of its business as a newspaper publishing business and related activities. The Mortgagor shall not initiate or acquiesce in any change in any zoning or other land use classification now or hereafter in effect and affecting the Premises or any part thereof without in each case obtaining the Mortgagee's prior written consent thereto.

1.10 No Mechanics' Liens. Subject to Section 1.10 of Article I hereof, the Mortgagor will not suffer any mechanic's, laborer's or materialmen's lien to be created or remain outstanding upon the Premises or any part thereof. In addition, it is further expressly made a covenant and condition hereof that the lien of this Mortgage shall extend to any and all improvements and fixtures now or hereafter on the Premises, prior to any other lien thereon that may be claimed by any person, so that subsequently accruing claims for lien on the Premises shall be junior and subordinate to this Mortgage, to the extent permitted by applicable law. All contractors, subcontractors, and other parties dealing with the Premises, or with any parties interested therein, are hereby required to take notice of the above provisions. The Mortgagor agrees to promptly deliver to the Mortgagee a copy of any notices that the Mortgagor receives with respect to any pending or threatened lien or the foreclosure thereof.

1.11 Continuing Priority. The Mortgagor will: pay such fees, taxes and charges, execute and file (at the Mortgagor's expense) such financing statements, obtain such acknowledgements or consents, notify such obligors or providers of services and materials and do all such other acts and things as the Mortgagee may from time to time request to establish and maintain a valid and perfected first and prior lien on and security interest in the Collateral; maintain its office and principal place of business at all times at the address shown; and keep all of its books and records relating to the Collateral on the Premises or at such address; keep all tangible Collateral on the Real Estate except as the Mortgagee may otherwise consent in writing.

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1.12 Utilities. The Mortgagor will pay or cause to be paid all utility charges incurred in connection with the Collateral promptly when due and maintain all utility services available for use at the Premises.

1.13 Contract Maintenance; Other Agreements; Leases. The Mortgagor will, for the benefit of the Mortgagee, fully and promptly keep, observe, perform and satisfy each obligation, condition, covenant, and restriction of the Mortgagor affecting the Premises or imposed on it under any agreement between Mortgagor and a third party relating to the Collateral or the Liabilities secured hereby, including, without limitation, the Leases, the Contracts for Sale, Contracts for Services and the Intangibles (collectively, the "Third Party Agreements"), so that there will be no default thereunder and so that the persons (other than the Mortgagor) obligated thereon shall be and remain at all times obligated to perform for the benefit of the Mortgagee; and the Mortgagor will not permit to exist any condition, event or fact which could allow or serve as a basis or justification for any such person to avoid such performance. Without the prior written consent of the Mortgagee, the Mortgagor shall not (i) except for terminations and amendments made by Mortgagor in the exercise of its prudent business judgment, make or permit any termination or amendment of the rights of the Mortgagor under any Third Party Agreement; (ii) collect rents or the proceeds of any Leases or Intangibles more than 30 days before the same shall be due and payable; (iii) except for modifications, amendments, cancellations or terminations made by Mortgagor in the exercise of its prudent business judgment, modify, amend, cancel or terminate any Leases, or accept a surrender of the leased premises; (iv) except for assignment or sublettings agreed to by Mortgagor in the exercise of its prudent business judgment, consent to the assignment or subletting of the whole or any portion of any lessee's interest under any Leases; or (v) in any other manner impair Mortgagee's rights and interest with respect to the Rents. The Mortgagor shall promptly deliver to the Mortgagee copies of any demands or notices of default sent or received by the Mortgagor in connection with any Third Party Agreement and allow the Mortgagee the right, but not the obligation, to cure any such default. All security or other deposits, if any, received from tenants under the Leases shall be segregated and maintained in an account satisfactory to the Mortgagee and in compliance with the law of the state where the Premises are located and with an institution satisfactory to the Mortgagee.

1.14 No Assignments; Future Leases. The Mortgagor will not cause or permit any Rents, Leases, Contracts for Sale, or other contracts relating to the Premises to be assigned, transferred, conveyed, pledged or disposed of to any party other than the Mortgagee without first obtaining the express written consent of the Mortgagee to any such assignment or permit any such assignment to occur by operation of law. In addition, the Mortgagor shall not cause or permit all or any portion of or interest in the Premises or the Improvements to be leased (that word having the same meaning for purposes hereof as it does in the law of landlord and tenant) directly or indirectly to any person, except leases entered into in the ordinary course of Mortgagor's business (and the Mortgagee hereby acknowledges that the Mortgagor regularly leases excess space in the Premises in third party tenants) and in the exercise of prudent business judgment under leases for a term and for a rental rate in accordance with the then current market rate for similar space.

1.15 Assignment of Leases and Rents and Collections.

(a) All of the Mortgagor's interest in and rights under the Leases now existing or hereafter entered into, and all of the Rents, whether now due, past due, or to become due, and including all

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prepaid rents and security deposits, and all other amounts due with respect to any of the other Collateral, are hereby absolutely, presently and unconditionally assigned and conveyed to the Mortgagee to be applied by the Mortgagee in payment of all sums due under the Notes, the other Liabilities and all other sums payable under this Mortgage. Prior to the occurrence of any Event of Default, the Mortgagor shall have a license to collect and receive all Rents and other amounts, which license shall be terminated at the sole option of the Mortgagee, without regard to the adequacy of its security hereunder and without notice to or demand upon the Mortgagor, upon the occurrence of any Event of Default. It is understood and agreed that neither the foregoing assignment to the Mortgagee nor the exercise by the Mortgagee of any of its rights or remedies under Article III hereof shall be deemed to make the Mortgagee a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Collateral or the use, occupancy, enjoyment of any portion thereof, unless and until the Mortgagee, in person or by agent, assumes actual possession thereof. Nor shall appointment of a receiver for the Collateral by any court at the request of the Mortgagee or by agreement with the Mortgagor, or the entering into possession of any part of the Collateral by such receiver, be deemed to make the Mortgagee a mortgagee-in-possession or otherwise responsible or liable in any manner with respect to the Collateral or the use, occupancy, enjoyment or operation of all or any portion thereof. Upon the occurrence of any Event of Default, this Mortgage shall constitute a direction to and full authority to each lessee under any Leases, each guarantor of any of the Leases and any other person obligated under any of the Collateral to pay all Rents and other amounts to the Mortgagee without proof of the Event of Default relied upon. The Mortgagor hereby irrevocably authorizes each such person to rely upon and comply with any notice or demand by the Mortgagee for the payment to the Mortgagee of any Rents and other amounts due or to become due.

(b) The Mortgagor shall apply the Rents and other amounts to the payment of all necessary and reasonable operating costs and expenses of the Collateral, debt service on the Liabilities and otherwise in compliance with the provisions of the Loan Documents. The Mortgagor shall at all times fully perform the obligations of the lessor under all Leases. The Mortgagor shall at any time or from time to time, upon request of the Mortgagee, transfer and assign to the Mortgagee in such form as may be satisfactory to the Mortgagee, the Mortgagor's interest in any of the Leases.

(c) The Mortgagee shall have the right to assign the Mortgagee's right, title and interest in any Leases to any subsequent holder of this Mortgage or any participating interest therein or to any person acquiring title to all or any part of the Collateral through foreclosure or otherwise. Any subsequent assignee shall have all the rights and powers herein provided to the Mortgagee. Upon the occurrence of any Event of Default, and the foreclosure of this Mortgage by the Mortgagee or the taking of possession of the Premises by the Mortgagee, its agent or receiver, the Mortgagee shall have the right to execute new leases of any part of the Collateral, including leases that extend beyond the term of this Mortgage. At any time after the occurrence of an Event of Default and the foreclosure of this Mortgage by the Mortgagee or the taking of possession of the Premises by the Mortgagee, its agent or receiver, the Mortgagee shall have the authority, as the Mortgagor's attorney-in-fact, such authority being coupled with an interest and irrevocable, to sign the name of the Mortgagor and to bind the Mortgagor on all papers and documents relating to the operation, leasing and maintenance of the Collateral.

1.16 The Mortgagee's Performance. If the Mortgagor fails to pay or perform any of its obligations herein contained (including payment of expenses of foreclosure and court costs), the

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Mortgagee may (but need not), as agent or attorney-in-fact of the Mortgagor, after the expiration of any applicable notice or cure period (except in the case of an emergency affecting the Premises or the lien of this Mortgage, in which case no notice or cure period shall be applicable) make any payment or perform (or cause to be performed) any obligation of the Mortgagor hereunder, in any form and manner deemed expedient by the Mortgagee, and any amount so paid or expended (plus reasonable compensation to the Mortgagee for its out-of-pocket and other expenses for each matter for which it acts under this Mortgage), with interest thereon at the rate applicable under the Agreement to past-due principal (the "Default Rate"), shall be added to the principal debt hereby secured and shall be repaid to the Mortgagee upon demand. By way of illustration and not in limitation of the foregoing, the Mortgagee may (but need not) do all or any of the following: make payments of principal or interest or other amounts on any lien, encumbrance or charge on any of the Collateral; complete construction; make repairs, collect rents; prosecute collection of the Collateral or proceeds thereof; purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof; contest any tax or assessment; and redeem from any tax sale or forfeiture affecting the Premises or any easement benefitting the Premises. In making any payment or securing any performance relating to any obligation of the Mortgagor hereunder, the Mortgagee shall be the sole judge of the legality, validity and amount of any lien or encumbrance and of all other matters necessary to be determined in satisfaction thereof. No such action of the Mortgagee shall ever be considered as a waiver of any right accruing to it on account of the occurrence of any matter which constitutes a Default or an Event of Default.

1.17 Subrogation. To the extent that the Mortgagee, on or after the date hereof, pays any sum under any provision of law or any instrument or document creating any lien or other interest prior or superior to the lien of this Mortgage, or the Mortgagor or any other person pays any such sum with the proceeds of the loan secured hereby, the Mortgagee shall have and be entitled to a lien or other interest on the Collateral equal in priority to the lien or other interest discharged and the Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit the Mortgagee in securing the Liabilities.

1.18 Reserve for Taxes, Assessments and Insurance. If requested by Mortgagor after the occurrence of an Event of Default, Mortgagor covenants and agrees to pay to the Mortgagee (or the Mortgagee's agent) on the same day of the month on which payments are due under the Notes until the Notes and all of the other Liabilities have been paid in full, a sum equal to real estate taxes and assessments and insurance premiums next due upon the Premises (all as reasonably estimated by the Mortgagee or its agent) divided by the number of months to elapse before one month prior to the date when such taxes, and assessments and insurance premiums will become due and payable, such sums to be held by the Mortgagee with interest accruing thereon, to pay each of the said items.

All payments described above in this Section shall be paid by the Mortgagor each month in a single payment to be applied by the Mortgagee (or its agent) to the foregoing items in such order as the Mortgagee shall elect in its sole but reasonable discretion. The Mortgagor shall also pay to the Mortgagee, at least 30 days prior to the due date of any taxes and assessments levied on, against or with respect to the Premises, such additional amount as may be necessary to provide the Mortgagee (or its agent) with sufficient funds to pay any such tax, assessment, and insurance premiums under this Section 1.18 at least 30 days in advance of the due date thereof.

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The Mortgagee (or its agent) shall, within 20 days of receipt from the Mortgagor of a written request therefor together with such supporting documentation as the Mortgagee (or its agent) may reasonably require (including, without limitation, official tax bills or, as applicable, statements for insurance premiums), cause proper amounts to be withdrawn from such account and paid directly to the appropriate tax collecting authority or insurer. Even though the Mortgagor may have made all appropriate payments to the Mortgagee (or its agent) as required by this Mortgage, the Mortgagor shall nevertheless have full and sole responsibility at all times to cause all taxes, assessments and insurance premiums to be fully and timely paid, and the Mortgagee (or its agent) shall have no responsibility or obligation of any kind with respect thereto except with respect to payments required to be made by the Mortgagor hereunder for which the Mortgagee (or its agent) has received funds to cover such payments in full and all statements, invoices, reports or other materials necessary to make such payments, all not less than 30 days prior to the deadline for any such payment; provided, however, that upon the written request of the Mortgagor and so long as no Event of Default has occurred and is continuing, the Mortgagee shall apply such funds to the payment of, or make such funds available to the Mortgagor for the payment of, such taxes, assessments and insurance premiums. If at any time the funds so held by the Mortgagee (or its agent) shall be insufficient to cover the full amount of all taxes and assessments next due and payable (as estimated by the Mortgagee) the Mortgagor shall, within ten days after receipt of notice thereof from the Mortgagee (or its agent) deposit with the Mortgagee (or its agent) such additional funds as may be necessary to remove the deficiency. If the Premises are sold under foreclosure or are otherwise acquired by the Mortgagee, accumulations under this Section 1.18 may be applied to the Liabilities in such order of application as the Mortgagee may elect in its sole discretion.

1.19 Mortgagor's Right to Contest. Mortgagor may contest or object to the legal validity or amount of any tax or any mechanics' or materialmen's lien on the Premises on and subject to the following conditions: (i) after having given Mortgagee at least five business days' prior written notice of its intention to institute such proceedings, Mortgagor shall in good faith have instituted appropriate legal proceedings with respect thereto, the pendency of which shall have the legal effect of staying the effectiveness and enforcement of such taxes or lien (as the case may be) and any and all other remedies relating thereto which may affect the Premises or the title thereto, and Mortgagor shall at all times thereafter prosecute such proceedings diligently and in good faith to completion; and (ii) Mortgagor shall either (A) have duly paid the full amount of the tax or lien under protest or (B) have fully bonded over or title-insured over such tax or lien to Mortgagee's full satisfaction.

II. DEFAULT

Each of the following shall constitute an event of default (an "Event of Default") hereunder:

2.1 Loan Documents. The occurrence of an Event of Default under the terms and provisions of the Notes, the Agreement or any other Loan Document; or

2.2 Provisions of this Mortgage. Non-compliance by the Mortgagor with, or failure by the Mortgagor to perform, any agreement contained herein (other than any non-compliance or failure which constitutes a default under Section 2.1) and continuance of such non-compliance or failure for two (2) Business Days (as defined in the Agreement) with respect to the payment of any amounts required to be paid under this Mortgage or for thirty (30) days after notice thereof to the Mortgagor from the Mortgagee with respect to all other defaults under this Mortgage; provided, however, that if such

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default cannot, with diligence, be cured within such thirty (30) day period, then so long as Mortgagor is diligently pursuing a cure for such default, Mortgagor shall have an additional thirty (30) days after the expiration of the initial thirty (30) days within which to cure such default.

III. REMEDIES

3.1 Acceleration. Upon the occurrence of any Event of Default, the entire indebtedness evidenced by the Notes and all other Liabilities together with interest thereon at the Default Rate shall (a) automatically become immediately due and payable in the event of the occurrence of an Event of Default under Section 12.1.4 of the Agreement and (b) at the option of the Mortgagee, become immediately due and payable in the event of occurrence of any other Event of Default.

3.2 Remedies Cumulative. No remedy or right of the Mortgagee hereunder or under the Notes or any of the Loan Documents, or otherwise, or available under applicable law or in equity, shall be exclusive of any other right or remedy, but each such remedy or right shall be in addition to every other remedy or right now or hereafter existing under any such document or under applicable law or in equity. No delay in the exercise of, or omission to exercise, any remedy or right accruing on any Event of Default shall impair any such remedy or right or be construed to be a waiver of any such Event of Default or an acquiescence therein nor shall it affect any subsequent Event of Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by the Mortgagee. All obligations of the Mortgagor, and all rights, powers and remedies of the Mortgagee, expressed herein shall be in addition to, and not in limitation of, those provided by law or in equity or in the Notes or any other Loan Documents or any other written agreement or instrument relating to any of the Liabilities or any security therefor.

3.3 Foreclosure; Receiver. Upon the occurrence of any Event of Default, the Mortgagee shall also have the right immediately to foreclose this Mortgage. Upon the filing of any complaint for that purpose, the court in which such complaint is filed may, upon application of the Mortgagee or at any time thereafter, either before or after foreclosure sale, and without notice to the Mortgagor or to any party claiming under the Mortgagor and without regard to the solvency or insolvency at the time of such application of any person then liable for the payment of any of the Liabilities, without regard to the then value of the Premises or whether the same shall then be occupied, in whole or in part, as a homestead, by the owner of the equity of redemption, and without regarding any bond from the complainant in such proceedings, appoint a receiver for the benefit of the Mortgagee, with power to take possession, charge, and control of the Premises, to lease the same, to keep the buildings thereon insured and in good repair, and to collect all Rents during the pendency of such foreclosure suit, and, in case of foreclosure sale and a deficiency, during any period of redemption.

The court may, from time to time, authorize said receiver to apply the net amounts remaining in its hands, after deducting reasonable compensation for the receiver and its counsel as allowed by the court, in payment (in whole or in part) of any or all of the Liabilities, including without limitation the following, in such order of application as the Mortgagee may elect: (i) amounts due under the Notes and the other Loan Documents, (ii) amounts due upon any decree entered in any suit foreclosing this

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Mortgage, (iii) costs and expenses (including, without limitation, attorneys fees and court costs) of foreclosure and litigation upon the Premises, (iv) insurance premiums, repairs, taxes, special assessments, water charges and interest, penalties and costs, in connection with the Premises, (v) any other lien or charge upon the Premises that may be or become superior to the lien of this Mortgage, or of any decree foreclosing the same and (vi) all moneys advanced by the Mortgagee to cure or attempt to cure any Event of Default by the Mortgagor in the performance of any obligation or condition contained in any Loan Documents or this Mortgage or otherwise, to protect the security hereof provided herein, or in any Loan Documents, with interest on such advances at the Default Rate. The overplus of the proceeds of sale, if any, shall then be paid to the Mortgagor. This Mortgage may be foreclosed once against all, or successively against any portion or portions, of the Premises, as the Mortgagee may elect, until all of the Premises have been foreclosed against and sold. As part of the foreclosure, the Mortgagee in its discretion may, with or without entry, personally or by attorney, sell to the highest bidder all or any part of the Premises, and all right, title, interest, claim and demand therein, and the right of redemption thereof, as an entirety, or in separate lots, as Mortgagee may elect, and in one sale or in any number of separate sales held at one time or at any number of times, all in any manner and upon such notice as provided by applicable law. Upon the completion of any such sale or sales, Mortgagee shall transfer and deliver, or cause to be transferred and delivered, to the purchaser or purchasers the property so sold, in the manner and form as provided by applicable law, and Mortgagee is hereby irrevocably appointed the true and lawful attorney-in-fact of Mortgagor, in its name and stead, to make all necessary transfers of property thus sold, and for that purpose Mortgagee may execute and deliver, for and in the name of Mortgagor, all necessary instruments of assignment and transfer, Mortgagor hereby ratifying and confirming all that said attorney-in-fact shall lawfully do by virtue hereof. In the case of any sale of the Premises pursuant to any judgment or decree of any court at public auction or otherwise, Mortgagee may become the purchaser, and for the purpose of making settlement for or payment of the purchase price, shall be entitled to deliver over and use the Notes, the Liabilities and any claims for the debt in order that there may be credited as paid on the purchase price the amount of the debt. In case of any foreclosure of this Mortgage (or the commencement of or preparation therefor) in any court, all expenses of every kind paid or incurred by the Mortgagee for the enforcement, protection or collection of this security, including court costs, attorneys' fees, stenographers' fees, costs of advertising, and costs of title insurance and any other documentary evidence of title, shall be paid by the Mortgagor.

3.4 Possession of the Premises; Remedies for Leases and Rents. The Mortgagor hereby waives all right to the possession, income, and Rents of the Premises from and after the occurrence of any Event of Default, and the Mortgagee is hereby expressly authorized and empowered, at and following any such occurrence, to enter into and upon and take possession of the Premises or any part thereof. If any Event of Default shall occur, then, whether before or after institution of legal proceedings to foreclose the lien of this Mortgage or before or after the sale thereunder, the Mortgagee shall be entitled, in its discretion, to do all or any of the following: (i) enter and take actual possession of the Premises, the Rents, the Leases and other Collateral relating thereto or any part thereof personally, or by its agents or attorneys, and exclude the Mortgagor therefrom; (ii) with or without process of law, enter upon and take and maintain possession of all of the documents, books, records, papers and accounts of the Mortgagor relating thereto; (iii) as attorney-in-fact or agent of the Mortgagor, or in its own name as mortgagee and under the powers herein granted, hold, operate, manage and control the Premises, the Rents, the Leases and other Collateral relating thereto and conduct the business, if any, thereof either personally or by its agents, contractors or nominees, with full power

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to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment of the Rents, the Leases and other Collateral relating thereto (including actions for the recovery of rent, actions in forcible detainer and actions in distress of rent); (iv) cancel or terminate any Lease or sublease for any cause or on any ground which would entitle the Mortgagor to cancel the same; (v) elect to disaffirm any Lease or sublease made subsequent hereto or subordinated to the lien hereof; (vi) make all necessary or proper repairs, decorations, renewals, replacements, alterations, additions, betterments and improvements to the Premises that, in its discretion, may seem appropriate; (vii) insure and reinsure the Collateral for all risks incidental to the Mortgagee's possession, operation and management thereof; and (viii) receive all such Rents and proceeds, and perform such other acts in connection with the management and operation of the Collateral, as the Mortgagee in its discretion may deem proper, the Mortgagor hereby granting the Mortgagee full power and authority to exercise each and every one of the rights, privileges and powers contained herein at any and all times after any Event of Default without notice to the Mortgagor or any other person. The Mortgagee, in the exercise of the rights and powers conferred upon it hereby, shall have full power to use and apply the Rents to the payment, in such order as Mortgagee may determine, of or on account of any one or more of the following in such order as it may determine: (a) to the payment of the operating expenses of the Premises, including the cost of management and leasing thereof (which shall include reasonable compensation to the Mortgagee and its agents or contractors, if management be delegated to agents or contractors, and it shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized; (b) to the payment of taxes, charges and special assessments, the costs of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Collateral, including the cost from time to time of installing, replacing or repairing the Collateral, and of placing the Collateral in such condition as will, in the judgment of the Mortgagee, make it readily rentable; and (c) to the payment of any Liabilities. The entering upon and taking possession of the Premises, or any part thereof, and the collection of any Rents and the application thereof as aforesaid shall not cure or waive any Event of Default theretofore or thereafter occurring or affect any notice or Event of Default hereunder or invalidate any act done pursuant to any such Event of Default or notice, and, notwithstanding continuance in possession of the Premises or any part thereof by the Mortgagee or a receiver and the collection, receipt and application of the Rents, the Mortgagee shall be entitled to exercise every right provided for in this Mortgage or by law or in equity upon or after the occurrence of an Event of Default. Any of the actions referred to in this Section 3.4 may be taken by the Mortgagee irrespective of whether any notice of Event of Default has been given hereunder and without regard to the adequacy of the security for the indebtedness hereby secured.

3.5 Personal Property. If any Event of Default shall occur, the Mortgagee may exercise from time to time any rights and remedies available to it under applicable law upon default in payment of indebtedness. The Mortgagor shall, promptly upon request by the Mortgagee, assemble the Collateral and make it available to the Mortgagee at such place or places, reasonably convenient for both the Mortgagee and the Mortgagor, as the Mortgagee shall designate. The Mortgagor hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings, or process of law in connection with the exercise by the Mortgagee of any of its rights and remedies after an Event of Default occurs. If any notification of intended disposition of any of the Collateral is required by law, such notification, if mailed, shall be deemed reasonably and properly given if mailed by registered or certified mail, return receipt requested, at least 10 days before such disposition, postage

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prepaid, addressed to the Mortgagor either at the address shown above or at any other address of the Mortgagor appearing on the records of the Mortgagee. Without limiting the generality of the foregoing, whenever there exists an Event of Default hereunder, the Mortgagee may, with respect to so much of the Collateral as is personal property under applicable law, to the fullest extent permitted by applicable law, without further notice, advertisement, hearing or process of law of any kind, (i) notify any person obligated on the Collateral to perform directly for the Mortgagee its obligations thereunder, (ii) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (iii) endorse any checks, drafts or other writings in the name of the Mortgagor to allow collection of the Collateral, (iv) take control of any proceeds of the Collateral, (v) enter upon any premises where any of the Collateral may be located and take possession of and remove such Collateral and render all or any part of the Collateral unusable, all without being responsible for loss or damage, (vi) sell any or all of the Collateral, free of all rights and claims of the Mortgagor therein and thereto, at any lawful public or private sale, and (vii) bid for and purchase any or all of the Collateral at any such public or private sale. Any proceeds of any disposition by the Mortgagee of any of the Collateral may be applied by the Mortgagee to the payment of expenses in connection with the Collateral, including attorneys' fees and legal expenses, and any balance of such proceeds shall be applied by the Mortgagee toward the payment of such of the Liabilities and in such order of application as the Mortgagee may from time to time elect. Without limiting the foregoing, the Mortgagee may exercise from time to time any rights and remedies available to it under the Uniform Commercial Code or other applicable law as in effect from time to time or otherwise available to it under applicable law. The Mortgagor hereby expressly waives presentment, demand, notice of dishonor, protest and notice of protest in connection with the Notes, the Liabilities and, to the fullest extent permitted by applicable law, any and all other notices, demands, advertisements, hearings or process of law in connection with the exercise by the Mortgagee of any of its rights and remedies hereunder, except as otherwise provided herein or in any of the other Loan Documents. The Mortgagor hereby constitutes the Mortgagee its attorney-in-fact with full power of substitution to take possession of the Collateral upon any Event of Default and, as the Mortgagee in its sole discretion deems necessary or proper, to execute and deliver all instruments required by the Mortgagee to accomplish the disposition of the Collateral; this power of attorney is a power coupled with an interest and is irrevocable while any of the Liabilities are outstanding.

3.6 Performance of Contracts. The Mortgagee may, in its sole discretion at any time after the occurrence of an Event of Default, notify any person obligated to the Mortgagor under or with respect to any Intangible, any Contract for Sale or any Contracts for Services of the existence of an Event of Default, require that performance be made directly to the Mortgagee at the Mortgagor's expense, and advance such sums as are necessary or appropriate to satisfy the Mortgagor's obligations thereunder; and the Mortgagor agrees to cooperate with the Mortgagee in all ways reasonably requested by the Mortgagee (including the giving of any notices requested by, or joining in any notices given by, the Mortgagee) to accomplish the foregoing.

3.7 No Liability on Mortgagee. Notwithstanding anything contained herein, the Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of the Mortgagor, whether hereunder, under any of the Third Party Agreements or otherwise. The Mortgagee shall not have responsibility for the control, care, management or repair of the Premises or be responsible or liable for any negligence in the management,

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operation, upkeep, repair or control of the Premises resulting in loss, injury or death to any tenant, licensee, employee, stranger or other person. No liability shall be enforced or asserted against the Mortgagee in its exercise of the powers granted to it under this Mortgage, and the Mortgagor expressly waives and releases any such liability. Should the Mortgagee incur any such liability, loss or damage under any of the Third Party Agreements or under or by reason hereof, or in the defense of any claims or demands, the Mortgagor agrees to reimburse the Mortgagee immediately upon demand for the full amount thereof, including costs, expenses and attorneys' fees, except for any liability, loss or damage caused by the Mortgagee's gross negligence or willful misconduct.

IV. GENERAL

4.1 Permitted Acts. The Mortgagor agrees that, without affecting or diminishing in any way the liability of the Mortgagor or any other person, except any person expressly released in writing by the Mortgagee (with the consent of any pledgee of the Liabilities), for the payment or performance of any of the Liabilities or for the performance of any obligation contained herein or affecting the lien hereof upon the Collateral or any part thereof, the Mortgagee may at any time and from time to time, without notice to or the consent of any person, release any person liable for the payment or performance of the Notes or any of the other Liabilities or any guaranty given in connection therewith; extend the time for, or agree to alter the terms of payment of, any indebtedness under the Notes or any of the other Liabilities or any guaranty given in connection therewith; modify or waive any obligation; subordinate, modify or otherwise deal with the lien hereof, accept additional security of any kind for repayment of the Notes or the other Liabilities or any guaranty given in connection therewith; release any Collateral or other property securing any or all of the Notes or the other Liabilities or any guaranty given in connection therewith; make releases of any portion of the Premises; consent to the making of any map or plat of the Premises; consent to the creation of any easements on the Premises or of any covenants restricting the use or occupancy thereof; or exercise or refrain from exercising, or waive, any right the Mortgagee may have.

4.2 Indemnification. The Mortgagor agrees to indemnify the Mortgagee, and hold the Mortgagee and each of its officers, directors, employees and agents harmless, from and against any and all losses, damages, costs, expenses and claims of any kind whatsoever (including, without limitation, reasonable attorneys' fees), except to the extent that such losses, damages, costs, expenses and claims are caused by the Mortgagee's gross negligence or willful misconduct, which the Mortgagee may pay or incur in connection with the Agreement, the Notes, this Mortgage and the other Loan Documents and any suit or proceeding in or to which the Mortgagee may be made or become a party, which suit or proceeding does or may affect all or any portion of the Collateral or the value, use or operation thereof or this Mortgage or the validity, enforceability, lien or priority hereof or of any of the Liabilities or indebtedness secured hereby.

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4.3 Obligatory Future Advances. This Mortgage is granted to secure future advances and loans from the Mortgagee to or for the benefit of the Borrower and/or the Mortgagor or their respective successors and assigns or the Premises, as provided in the Agreement regardless of whether, at the time or times of such advances, the Mortgagor is then the owner of the Collateral or any interest in any hereof, and costs and expenses of enforcing the Mortgagor's obligations under this Mortgage, the Loan Documents and the Agreement. All advances, disbursements or other payments required by the Agreement are obligatory advances up to the credit limits established therein and shall, to the fullest extent permitted by law, have priority over any and all mechanics' liens and other liens and encumbrances arising after this Mortgage is recorded.

4.4 Security Agreement: Fixture Filing. This Mortgage, to the extent that it conveys or otherwise deals with personal property or with items of personal property which are or may become fixtures, shall also be construed as a security agreement under the Uniform Commercial Code as in effect in the state in which the Premises are located, and this Mortgage constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the County in which the Premises are located with respect to any and all fixtures included within the term "Collateral" as used herein and with respect to any Goods or other personal property that may now be or hereafter become such fixtures. For purposes of the foregoing, the Mortgagor is the debtor (with its address as set forth above), the Mortgagee is the secured party (with its address as set forth above). If any item of Collateral hereunder also constitutes collateral granted to the Mortgagee under any other mortgage, agreement, document, or instrument, in the event of any conflict between the provisions of this Mortgage and the provisions of such other mortgage, agreement, document, or instrument relating to the Collateral, the provision or provisions selected by the Mortgagee shall control with respect to the Collateral.

4.5 Defeasance. Upon full payment of all indebtedness secured hereby and satisfaction of all the Liabilities in accordance with their respective terms and at the time and in the manner provided, and when the Mortgagee has no further obligation to make any advance, or extend any credit hereunder, under the Notes or any Loan Documents, this conveyance shall be null and void, and thereafter, upon demand therefor, an appropriate instrument of reconveyance or release shall promptly be made by the Mortgagee to the Mortgagor, at the expense of the Mortgagor.

4.6 Notices. All notices, demands and other communications hereunder to either party shall be given and deemed to have been given in accordance with the terms of the Agreement.

4.7 Successors; The Mortgagor; Gender. All provisions hereof shall bind the Mortgagor and the Mortgagee and their respective successors, vendees and assigns and shall inure to the benefit of the Mortgagee, its successors and assigns, and the Mortgagor and its permitted successors and assigns. The Mortgagor shall not have any right to assign any of its rights hereunder. Except as limited by the preceding sentence, the word "Mortgagor" shall include all persons claiming under or through the Mortgagor and all persons liable for the payment or performance by the Mortgagor of any of the Liabilities whether or not such persons shall have executed the Notes, this Mortgage or the other Loan Documents. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

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4.8 Care by the Mortgagee. The Mortgagee shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral assigned by the Mortgagor to the Mortgagee or in the Mortgagee's possession if it takes such action for that purpose as the Mortgagor requests in writing, but failure of the Mortgagee to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Mortgagee to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by the Mortgagor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

4.9 No Waiver; Writing. No delay on the part of the Mortgagee in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Mortgagee of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. The granting or withholding of consent by Mortgagee to any transaction as required by the terms hereof shall not be deemed a waiver of the right to require consent to future or successive transactions.

4.10 Governing Law. This Mortgage shall be a contract made under and governed by the internal laws of the State of Illinois; provided, however, that solely with respect to the rights and remedies available to the Mortgagee hereunder for the realization of the benefits of the security provided hereby, this Mortgage shall be construed and enforced in accordance with the laws of the State where the Premises are located.

4.11 Waiver. The Mortgagor, on behalf of itself and all persons now or hereafter interested in the Premises or the Collateral, voluntarily and knowingly hereby: acknowledges that the transaction of which this Mortgage is a part does not include either agricultural real estate (as defined in the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et. seq., herein the "Act"), or residential real estate (as defined in the Act); waives, to the fullest extent permitted by applicable law, all rights under all appraisement, homestead, moratorium, valuation, exemption, stay, extension, and redemption statutes, laws or equities now or hereafter existing, and hereby further waives the pleading of any statute of limitations as a defense to any and all Liabilities secured by this Mortgage, and the Mortgagor agrees that no defense, claim or right based on any thereof will be asserted, or may be enforced, in any action enforcing or relating to this Mortgage or any of this Collateral. Without limiting the generality of the preceding sentence, the Mortgagor, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage, hereby irrevocably waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage or under any power contained herein or under any sale pursuant to any statute, order, decree or judgment of any court. The Mortgagor, for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Mortgage, hereby expressly waives and releases all rights to direct the order in which any of the Collateral shall be sold in the event of any sale or sales pursuant hereto and to have any of the Collateral and/or any other property now or hereafter constituting security for any of the indebtedness secured hereby marshalled upon any foreclosure of this Mortgage or of any other security for any of said indebtedness.

4.12 JURY TRIAL. THE MORTGAGOR HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS MORTGAGE OR ANY LOAN DOCUMENTS TO WHICH IT IS A PARTY,

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OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH OR ARISING FROM ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE OR ANY RELATED DOCUMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

4.13 No Merger. It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Premises, it is hereby understood and agreed that should the Mortgagee acquire an additional or other interests in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by the Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

4.14 Time of Essence. Time is declared to be of the essence in this Mortgage, the Notes and the Loan Documents and of every part hereof and thereof.

4.15 Compliance with Illinois Mortgage Foreclosure Law.

(a) If any provision of this Mortgage is inconsistent with any applicable provision of the Act (as defined above), the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can fairly be construed in a manner consistent with the Act.

(b) Without in any way limiting or restricting any of Mortgagee's rights, remedies, powers and authorities under this Mortgage, and in addition to all of such rights, remedies, powers, and authorities, the Mortgagee shall also have and may exercise any and all rights, remedies, powers and authorities which the holder of a mortgage is permitted to have or exercise under the provisions of the Act, as the same may be amended from time to time, except as otherwise provided herein.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee, to the extent reimbursable under Sections 5/15-1510, 5/15-1512, or any other provision of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in any other provision of this Mortgage, shall be added to the indebtedness secured by this Mortgage and by the judgment of foreclosure.

4.16 No Reliance by Others on the Premises: Single Zoning Lot and Tax Parcel. The Mortgagor covenants that it will not cause or permit any land, building or other improvement, or other property of any kind whatsoever which is not subject to the lien of this Mortgage (regardless of whether such property is owned by Mortgagor) to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement of any kind whatsoever, and the Mortgagor hereby assigns to the Mortgagee any and all rights to give or withhold consent for all or any portion of the Premises or any interest therein to be so used. The Mortgagor represents, warrants and covenants that no building or other improvement situated on or comprising part of the Premises does, or at any time will, rely on any property not subject to the lien of this Mortgage to fulfill any governmental or municipal requirement of any kind whatsoever. The Mortgagor shall not cause or permit to be impaired

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the integrity of the Premises as a single zoning lot and one or more single tax parcels separate and apart from all other zoning lots and tax parcels. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this Section shall be void ab initio and of no force or effect for any purpose whatsoever.

4.17 Subordination of Property Manager's Lien. The Mortgagor shall cause each property manager of all or any part of the Premises to enter into a subordination agreement with the Mortgagee, in recordable form, whereby the property manager subordinates its present and future lien rights (including any lien rights such property manager may have pursuant to any statute or law [including, without limitation, 770 ILCS 6011]) and those of any party claiming by, through or under it, to the lien of this Mortgage. The Mortgagor's failure to cause any of the foregoing to occur shall constitute a default under this Mortgage.

4.18 Future Advances. This Mortgage, secures all present and future Liabilities of the Mortgagor to the Mortgagee. The amount of present Liabilities secured hereby is \$80,000,000; the maximum amount, including present and future Liabilities, plus interest, plus any disbursements and taxes and insurance on the Premises, plus interest thereon, and any other sums advanced in accordance with the terms hereof or any of the Loan Documents to protect the security of this Mortgage or any of the Loan Documents, which may be secured hereby at any one time is \$242,400,000.

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IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Mortgage on the day and year first above written.

CHICAGO SUN-TIMES, INC., a
Delaware corporation

By: 

Name: David A. Old

Title: Executive Vice Pres. & Treas.

Property of Cook County Clerk's Office

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STATE OF ILLINOIS
COUNTY OF COOK

)
) SS.
)

I, SHELIA E. PYBURN a Notary Public, do hereby certify that J. DAVID DODD, personally known to me to be the ___ president of CHICAGO SUN-TIMES, INC., a Delaware corporation, and ~~_____ personally known to me to be the _____ secretary of said corporation,~~ and personally known to me to be the same persons whose names are subscribed to the foregoing document, appeared before me this day in person and severally acknowledged that as such ___ president and ~~_____ secretary~~ they signed and delivered the said document as ___ president and ~~_____ secretary~~ of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

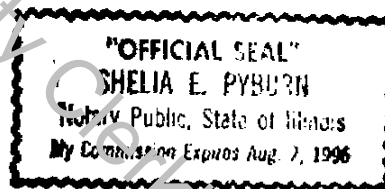
Given under my hand and notarial seal, this 31st day of March, 1994.

Shelia E. Pyburn
Notary Public

Type or
Print Name: SHELIA E. PYBURN

My commission expires:

August 7, 1996



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EXHIBIT A

Description of the Land

PARCEL 1:

LOT 29 (EXCEPT THE NORTHWESTERLY 16 FEET THEREOF) LOTS 30 TO 33, BOTH INCLUSIVE, AND LOTS 35 TO 41, BOTH INCLUSIVE, ALL IN BLOCK 11 IN FULLERTON'S ADDITION TO CHICAGO, A SUBDIVISION IN SECTION 31, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE VACATED ALLEY RUNNING IN A NORTHEASTERLY DIRECTION SOUTHEASTERLY OF AND ADJOINING THE SOUTHEASTERLY LINE OF LOT 33 AND ADJOINING THE SOUTHEASTERLY LINE OF LOT 33 PRODUCED NORTHEASTERLY 16 FEET ALSO THE VACATED PUBLIC ALLEY RUNNING IN A NORTHWESTERLY DIRECTION NORTHEASTERLY OF AND ADJOINING THE NORTHEASTERLY LINE OF LOT 29 (EXCEPT THE NORTHWESTERLY 16 FEET THEREOF) AND LOTS 30 TO 33, BOTH INCLUSIVE, ALL IN BLOCK 11 IN FULLERTON'S ADDITION TO CHICAGO, A SUBDIVISION IN SECTION 31, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THAT PART OF LOT 34 LYING SOUTHEASTERLY OF A LINE DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 1 IN BLOCK 11, SAID CORNER BEING 164 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT 1; THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF A 16 FOOT ALLEY 195.06 FEET FOR A POINT OF BEGINNING; THENCE NORTHEASTERLY AT A RIGHT ANGLE TO SAID ALLEY LINE 139.83 FEET TO THE SOUTHEAST CORNER OF SAID LOT 1 AND THE NORTHEAST CORNER OF SAID LOT 34, ALL IN BLOCK 11 IN FULLERTON'S ADDITION TO CHICAGO IN THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

EXCEPTING FROM PARCELS 1 AND 2 AFORESAID, THAT IS FROM THE ABOVE PART OF LOTS 29 AND 30 IN BLOCK 11 IN FULLERTON'S ADDITION TO CHICAGO A SUBDIVISION IN SECTION 31, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND PART OF A VACATED ALLEY VACATED AS PER DOCUMENT NUMBER 4624286, RUNNING IN A NORTHWESTERLY DIRECTION LYING NORTHEASTERLY OF AND ADJOINING THE NORTHEASTERLY LINE OF SAID LOTS 29 AND 30 BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY LINE OF SAID LOT 29, 16.00 FEET SOUTHEASTERLY OF THE NORTHWESTERLY CORNER OF SAID LOT 29; THENCE NORTHEASTERLY ALONG A LINE 16.00 FEET SOUTHEASTERLY OF AND PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT 29 AND ITS NORTHEASTERLY EXTENSION A DISTANCE OF 141.00 FEET TO THE SOUTHWESTERLY LINE OF LOT 34 IN SAID BLOCK 11; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 34 A DISTANCE OF 12.20 FEET; THENCE SOUTHWESTERLY ALONG A LINE 28.20 FEET SOUTHEASTERLY OF AND PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT 29 AND ITS NORTHEASTERLY EXTENSION A DISTANCE OF 40.79 FEET; THENCE SOUTHWESTERLY ALONG A LINE A DISTANCE OF 53.27 FEET TO A POINT 21.00 FEET SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF SAID LOT 29; THENCE SOUTHWESTERLY ALONG A LINE 21.00 FEET SOUTHEASTERLY OF AND PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT 29 A DISTANCE OF 47.63 FEET TO A POINT IN THE SOUTHWESTERLY LINE OF SAID LOT 29; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 29 A DISTANCE OF 5.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

property address: 2241-2315 N. Elston, Chicago

permanent index numbers: 14-31-200-047-0000; 14-31-501-010-0000

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