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**FIRST MORTGAGE
AND SECURITY AGREEMENT**

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, NOT PERSONALLY
BUT AS TRUSTEE UNDER TRUST AGREEMENT DATED MARCH 1, 1994, AND
KNOWN AS TRUST NO. 118068-09

and

A & A McCORMICK, ^{L.P.} ~~LLP~~,
an Illinois limited partnership

as Mortgagor

to

ROYAL MACCABEES LIFE INSURANCE COMPANY,
a Michigan corporation

as Mortgagee and
Secured Party

94379077

Dated: March 31, 1994

Common Property Address:

Cineplex Odeon Theatres
6341 North McCormick Boulevard
Chicago, Illinois

THIS DOCUMENT WAS PREPARED BY,
ITS RECORDING IS REQUESTED BY
AND WHEN RECORDED RETURN TO:

Levenfeld, Eisenberg, Janger, Glassberg, Samotny & Halper
33 West Monroe Street
21st Floor
Chicago, Illinois 60603
Attention: Michael J. Tuchman, Esq.

Permanent Tax No.

13-02-220-053-0000

COOK COUNTY, ILLINOIS
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FIRST MORTGAGE AND SECURITY AGREEMENT

FIRST MORTGAGE AND SECURITY AGREEMENT (this "Mortgage") made the 31st day of March, 1994, from AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, NOT PERSONALLY BUT AS TRUSTEE UNDER TRUST AGREEMENT DATED MARCH 1, 1994, AND KNOWN AS TRUST NO. 118068-09 (the "Trust" or "Trustee," as the context shall reasonably require) and A & A McCORMICK, LTD., an Illinois limited partnership ("Beneficiary") (the Trust and Beneficiary are hereinafter sometimes referred to individually and collectively as "Mortgagor") to ROYAL MACCABEES LIFE INSURANCE COMPANY, a Michigan corporation ("Mortgagee").

W I T N E S S E T H:

WHEREAS, Mortgagor and Mortgagee have executed and delivered that certain loan commitment agreement dated March 11, 1994, as amended on March 16, 1994 by memorandum of understanding (the "Loan Commitment"), pursuant to which Mortgagee has agreed to advance certain funds to Mortgagor, bearing interest as therein provided and in the principal amount therein provided, all as more particularly described therein; and

WHEREAS, the indebtedness created by the advancing of such funds shall be evidenced by a promissory note, payable to the order of Mortgagee, for the principal amount of \$4,950,000.00 (the "Original Principal Amount"), and bearing interest as provided therein (the "Note");

NOW, THEREFORE, in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, and the mutual covenants herein contained, the parties hereto agree as follows:

In order to secure the due and punctual payment in full by Mortgagor of the principal amount of the Note, interest thereon and all other amounts due and to become due under or in connection with the Note, this Mortgage, the Loan Commitment or any other document or instrument securing or evidencing the Indebtedness (as hereinafter defined), including without limitation any guaranty (the Note, this Mortgage, the Loan Commitment and all such other documents and instruments are hereinafter collectively called the "Loan Documents"), and any and all reasonable expenses paid or incurred by Mortgagee under or in connection with the Loan Documents and the performance of all other obligations and liabilities of Mortgagor under or in connection with the Loan Documents (all of the aforesaid are hereinafter collectively called the "Indebtedness") (in no event shall the lien of this Mortgage secure indebtedness in excess of three times the Original Principal

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Amount), Mortgagor does hereby MORTGAGE, GIVE, ENFEOFF, GRANT, BARGAIN, SELL, WARRANT, ALIEN, REMISE, RELEASE, ASSIGN, TRANSFER, GRANT A SECURITY INTEREST IN, SET OVER, DELIVER, CONFIRM AND CONVEY unto Mortgagee upon the terms and conditions of this Mortgage, the following property described in Granting Clauses FIRST through SEVENTH below (all of such property being hereinafter collectively called the "Premises" or the "Property"):

GRANTING CLAUSES

All the estate, right, title and interest of Mortgagor in, to and under, or derived from:

GRANTING CLAUSE FIRST

Land

All those certain lots, pieces and parcels of land located at 6341 North McCormick Boulevard Chicago, Illinois, County of Cook, and as more particularly described in EXHIBIT A, as the description of the same may be amended or supplemented from time to time, and all the reversions or remainders in and to said land and the tenements, hereditaments, easements, rights-of-way or use rights (including alley, drainage, transferable development and other rights), privileges, royalties and appurtenances, if any, to said land, now or hereafter belonging or in anywise appertaining thereto, including any such right, title, interest in, to or under any agreement or right granting, conveying or creating, for the benefit of said land, any easement, right or license in any way affecting other property and in, to or under any streets, ways, alleys, sidewalks, curbs, vaults or chutes, gores or strips of land, if any, adjoining said land or any parcel thereof, or in or to the air space over said land, all rights of ingress and egress by motor vehicles to parking facilities on or within said land, if any, and all claims or demands of Mortgagor, either at law or in equity, in possession or expectancy of, in or to the same (all of the foregoing hereinafter collectively called the "Land").

GRANTING CLAUSE SECOND

Improvements

All buildings, structures, facilities and other improvements now or hereafter located on the Land, and all building material, building equipment, supplies and fixtures of every kind and nature now or hereafter located on the Land or attached to, contained in or used in connection with any such buildings, structures, facilities or other improvements, and all appurtenances and additions thereto and betterments, renewals, substitutions and replacements thereof, owned by Mortgagor or in which Mortgagor has

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or shall acquire an interest, to the extent of Mortgagor's interest therein, but excluding any trade fixtures owned by Plitt Theatres, Inc. (all of the foregoing hereinafter collectively called the "Improvements").

GRANTING CLAUSE THIRD Equipment and General Intangibles

All machinery, apparatus, equipment, materials, fittings, fixtures, chattels and articles of personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions and replacements thereof, owned by Mortgagor or in which Mortgagor has or shall acquire an interest (to the extent of such interest), and now or hereafter attached to or contained in and used in connection with the ownership and operation of the Land and/or the Improvements, (all of the foregoing hereinafter collectively called the "Equipment"), including, to the extent of Mortgagor's interest therein, all racking and shelving systems, all heating, lighting, plumbing, ventilating, air conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, escalators, stoves, ranges, vacuum, window washing and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings and fixtures; and all abstracts of title, surveys or sketches of survey, engineering drawings, permits, licenses, franchises, certificates and other rights and privileges obtained in connection with the Premises, and all of Mortgagor's present and future "equipment," "fixtures" and "general intangibles" (as such terms are defined in the Uniform Commercial Code of the State of Illinois, as amended from time to time) attached to or contained in and used in connection with the ownership and operation of the Land and/or the Improvements. Mortgagee shall have, in addition to all rights and remedies provided herein (including Article VIII hereof), and in any other agreements, commitments and undertakings made by Mortgagor to Mortgagee, all of the rights and remedies of a "secured party" under said Uniform Commercial Code. This Mortgage constitutes and shall be deemed to be a "security agreement" for all purposes of said Uniform Commercial Code. If any property described in this Granting Clause Third is leased to Mortgagor, then all of the right, title and interest of Mortgagor in and to any and all such property is hereby assigned to Mortgagee, together with the benefits of all deposits and payments now or hereafter made thereon by or on behalf of Mortgagor. To the extent permitted by applicable law, it is agreed that all Equipment is part and parcel of the Premises and appropriated to the use thereof and, whether affixed to the Land and/or the Improvements or

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not, shall, for purposes of this Mortgage be deemed conclusively to be real estate and mortgaged or otherwise conveyed or encumbered hereby.

GRANTING CLAUSE FOURTH Leasehold and Other Contractual Interests

All the leases, subleases, lettings and licenses of, and all other contracts, bonds and agreements affecting the use or occupancy of the Land, the Improvements, the Equipment and/or any other property or rights mortgaged or otherwise conveyed or encumbered hereby, or any part thereof, now or hereafter entered into, and all modifications, supplements, additions, extensions and renewals thereof (all of the foregoing hereinafter collectively called the "Tenant Leases"), and all right, title and interest of Mortgagor thereunder, including, to the extent Mortgagor may lawfully do so, all cash and securities deposited under such Tenant Leases, the right to receive and collect the rents, additional rents, increases in rents, security deposits, advance rents, income, proceeds, earnings, royalties, if any, revenues, issues and profits payable thereunder and the rights to enforce, whether at law or in equity or by any other means, all provisions thereof (all of the foregoing hereinafter collectively called the "Rents"), and the right to apply the same to the payment of the Indebtedness, all in accordance with Article III hereof, subject, however, to the provisions of that certain Assignment of Rents, Leases, Income and Profits of even date herewith (and referred to in Article III hereof).

GRANTING CLAUSE FIFTH Reciprocal Easement Agreement

All rights, benefits, easements, licenses and privileges, if any, in favor of Mortgagor in, to, under, over and through the land of any other, including but not limited to all exclusive and non-exclusive easements of use, ingress, egress, passage and parking of motor vehicles, passage and accommodation of pedestrians, created by, under and pursuant to any agreements or instruments or documents which in any way benefit the Property or Mortgagor's use or enjoyment of the same (collectively, "REA"); together with all other benefits, easements, licenses and privileges, if any, accruing thereunder in favor of Mortgagor under any REA, and its successors and assigns, and all amendments, modifications and supplements thereto.

GRANTING CLAUSE SIXTH After Acquired and Other Property

All property hereafter acquired or constructed by

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Mortgagor and of the type described in Granting Clauses First, Second, Third, Fourth, Fifth and Seventh which shall forthwith upon acquisition or construction thereof by Mortgagor and without any act or deed by Mortgagor be subject to the lien and security interest of this Mortgage as if such property were now owned by Mortgagor and were specifically described in this Mortgage and conveyed or encumbered hereby or pursuant hereto, and Mortgagee is hereby authorized to receive any and all such property as and for additional security hereunder. Additionally, any and all other property, of every kind and nature, which may from time to time be subjected to the lien hereof by Mortgagor through a supplement to this Mortgage, or by anyone on its behalf and with its written consent.

GRANTING CLAUSE SEVENTH
Proceeds and Awards

All unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by Mortgagor, all proceeds of the conversion, voluntary or involuntary, of any of the property described in these Granting Clauses into cash or other liquidated claims, including proceeds of hazard, title and other insurance, and all judgments, damages, awards, settlements and compensation (including interest thereon) heretofore or hereafter made to the present and all subsequent owners of the Land, the Improvements and/or any other property or rights encumbered or conveyed hereby for any injury to or decrease in the value thereof for any reason, or by any governmental or other lawful authority for the taking by eminent domain, condemnation or otherwise of all or any part thereof, including awards for any change of grade of streets, subject to the provisions of Sections 2.04 and 2.05 with respect to the use and application of such premiums, proceeds and awards.

SUBJECT HOWEVER to the encumbrances and other matters, if any, listed on EXHIBIT B (hereinafter collectively referred to as "Permitted Exceptions" or "Permitted Encumbrances").

TO HAVE AND TO HOLD the above granted and described Premises unto and to the proper use and benefit of Mortgagee, and the successors and assigns of Mortgagee, forever, subject to the provisions of Article VII hereof.

AND Trustee covenants with and represents and Beneficiary covenants with and represents and warrants to Mortgagee as follows:

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ARTICLE I

Representations and Warranties of Mortgagor

SECTION 1.01. Trustee represents and Beneficiary represents and warrants as follows:

(a) Title. (i) Mortgagor has and will have good, marketable and insurable fee simple title to the Land and the Improvements and all rights, privileges and entitlements as a party to any REA, free and clear of all liens, charges and encumbrances of every kind and character except for Permitted Exceptions; (ii) Mortgagor has and will have full power and lawful authority to encumber and convey the Premises as provided herein; (iii) all Equipment now or hereafter comprising part of the Premises is free and clear of all liens, charges and encumbrances of every kind and character, except for Permitted Exceptions; (iv) this Mortgage is and will remain a valid and enforceable first and sole lien on and security interest in the Premises subject only to Permitted Exceptions; and (v) Mortgagor hereby warrants and will forever warrant and defend such title and the validity, enforceability and priority of the lien and security interest hereof against the claims of all persons and parties whomsoever.

(b) Operation of the Premises. (i) Mortgagor has all necessary certificates, licenses, authorizations, registrations, permits and/or approvals necessary for the occupancy and operation of the entirety of the Premises as a legitimate motion picture theatre, and the foregoing certificates, licenses, authorizations, registrations, permits and/or approvals which have been issued or obtained as of the date hereof are in full force and effect and not subject to any revocation, amendment, release, suspension or forfeiture, (ii) promptly upon Mortgagee's request, Mortgagor shall deliver to Mortgagee copies of all of the same and (iii) to the best of Mortgagor's knowledge, the construction of the Improvements and the present and contemplated use and/or occupancy thereof complies with all applicable zoning, building, safety, health, environmental, subdivision and all other applicable laws, ordinances and regulations.

(c) Status of the Premises. (i) The Premises are not located in an area identified by the Secretary of Housing and Urban Development or a successor thereto as an area having special flood hazards pursuant to the terms of the National Flood Insurance Act of 1986, or the Flood Disaster Protection Act of 1973, as amended, or any successor law; (ii) the Premises are served by all utilities required for the use thereof as herein contemplated; (iii) the Premises are free from damage caused by fire or other casualty; and (iv) there is no condemnation or similar proceeding pending or, to

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the best of Mortgagor's actual knowledge, threatened affecting any part of the Premises.

SECTION 1.02. Hazardous Substances. (a) The Mortgagor hereby represents, warrants and covenants that neither the Mortgagor nor, to the best of Mortgagor's knowledge, any other person (including prior owners, tenants or subtenants) has ever caused or permitted any Hazardous Substances (as such term is hereinafter defined) to be placed, stored, treated, manufactured, handled, produced, transported, held, located or disposed of on, under or at the Premises or any part thereof and neither the Premises nor any part thereof has ever been used by the Mortgagor or, to the best of Mortgagor's knowledge, by any other person (including prior owners, tenants and subtenants) as a dump site or storage site (whether permanent or temporary) for any Hazardous Substances. Mortgagor covenants and agrees that Mortgagor shall not, nor shall Mortgagor voluntarily permit any other person or entity to, place, hold, locate or dispose of any Hazardous Substances on, under or at the Premises or any part thereof. Without limiting the foregoing, Mortgagor shall not cause or permit the Premises to be used to generate, manufacture, refine or process Hazardous Substances, nor shall Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor or any tenant or subtenant, a release of Hazardous Substances onto the Premises or onto any other property. Mortgagor shall comply with and ensure compliance by all tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations, and ensure that any and all tenants and subtenants obtain and comply with any and all approvals, registrations or permits required thereunder. Mortgagee reserves the right to require Mortgagor to obtain environmental risk studies and reports and insurance coverages (if generally available on commercially reasonable terms) at any time during the term of this Mortgage.

(b) Mortgagor hereby agrees to indemnify Mortgagee, its employees, agents, officers and directors, and hold Mortgagee harmless from and against any and all losses, liabilities (including strict liability), damages, injuries, penalties, fines, settlements, expenses and costs of whatever kind or nature, known or unknown, contingent or otherwise, including, without limitation, reasonable attorneys fees, of any settlement or judgment and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, Mortgagee by any person or entity or governmental agency, for, with respect to, or as a direct or indirect result of (i) at any time, the presence on or under, or the escape, leakage, disposal, spillage, emission, discharge or release from the Premises of any Hazardous Substance or (ii) the incorrectness or breach of this covenant, warranty or representation set forth in

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this Mortgage, including, without limitation, any violation or claim arising under the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act, the Resource Conservation and Recovery Act, the Hazardous and Solid Waste Amendments of 1984, the Federal Water Pollution Control Act, the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1988, the Federal Pesticides Act of 1978, the Clean Water Act, the Clean Air Act, the Federal Toxic Substances Control Act, the Asbestos Hazard Emergency Response Act, the Illinois Environmental Protection Act, the Illinois Pesticide Act, the Illinois Solid Waste Management Act, any so called federal, state or local "Superfund" or "Superlien" statute, or any other statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability (including strict liability), or standards of conduct concerning any Hazardous Substance, regardless of whether or not caused by, on behalf of, or within the control of Mortgagor; provided however, that Mortgagor shall not indemnify Mortgagee for any such losses, liabilities, damages, injuries, expenses or costs related to or involving Hazardous Substances placed or disposed of on the Premises after Mortgagee acquires title to the Premises through foreclosure or deed in lieu of foreclosure.

(c) For purposes of this Mortgage, the term "Hazardous Substances" shall mean and include those elements or compounds which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency ("EPA") and the list of toxic pollutants designated by Congress or the EPA or defined by any other Federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability (including strict liability) or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereinafter in effect.

(d) If Mortgagor receives any notice or knowledge of (i) the occurrence of any event involving the use, spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance or (ii) any complaint, order, citation or other notice with regard to air emissions, water discharges, or any other environmental, health or safety matter affecting Mortgagor or the Property (an "Environmental Complaint") from any person or entity (including, without limitation, the EPA), then Mortgagor shall promptly notify Mortgagee verbally and in writing of any such notice and, if the Environmental Complaint is in writing, shall immediately deliver a copy of the Environmental Complaint to Mortgagee. Further, Mortgagor shall immediately commence all actions necessary to clean up, remove, resolve and comply with any complaint, order, citation, notice or Environmental Complaint.

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(e) In addition to all other rights granted to Mortgagee, upon the occurrence of Mortgagor's receipt of any notice or knowledge specified herein, including, without limitation, an Environmental Complaint and Mortgagor's failure to commence the cleanup, removal or resolution of any Hazardous Substance or Environmental Complaint within thirty (30) days notice of breach of a covenant or warranty or receipt of notice or knowledge specified herein and to thereafter continuously and diligently proceed with such cleanup, removal or resolution, except as may be delayed by an act of God, strike, act of the public enemy, war, blockade, public riot, fire, storm, flood and explosion ("Force Majeure"), Mortgagee shall have the right, but not the obligation, to enter onto the Premises or to take such other actions as it deems necessary or advisable to cleanup, remove, resolve or minimize the impact of, or otherwise deal with, any such Hazardous Substance or Environmental Complaint following receipt of any notice from any person or entity (including without limitation, the EPA) asserting the existence of any Hazardous Substance or an Environmental Complaint pertaining to the Premises or any part thereof, which, if true, could result in an order, suit or other action against Mortgagee and/or which, in the reasonable opinion of Mortgagee, could have a materially adverse impact on the value of the Premises or otherwise jeopardize Mortgagee's lien against the Premises granted or created under the Mortgage. Any funds of Mortgagee used for any purpose referred to in this Section shall constitute advances secured by the Loan Documents and shall bear interest at the rate specified in the Note to be applicable after default thereunder.

(f) Mortgagor has complied with the Illinois Responsible Property Transfer Act (765 ILCS 90/1 et seq.), either by delivering to Mortgagee on the date hereof a true and correct and properly completed Illinois Responsible Property Transfer Act Disclosure Form or by certifying, and if Mortgagor has not delivered the disclosure forms aforesaid Mortgagor hereby certifies, that (i) the Property is not subject to reporting under Section 312 of the Federal Emergency Planning and Community Right-to-Know Act of 1986 and federal regulations promulgated thereunder and (ii) the Property does not contain any underground storage tanks that require registration under the Solid Waste Disposal Act. It shall be the responsibility of Mortgagor to record and/or file with the appropriate governmental authorities the aforesaid disclosure statement, and Mortgagor shall indemnify and hold Mortgagee harmless from any loss, cost, liability, penalty or other expense on account of its failure to comply with said laws.

(g) The provisions of this Section 1.02 shall be in addition to any and all other obligations and liabilities Mortgagor may have to Mortgagee and shall survive defeasance.

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SECTION 1.03. Miscellaneous Representations. (a) Beneficiary is the owner of one hundred percent (100%) of the beneficial interests in the Trust.

(b) The Trust is an Illinois land trust duly organized and validly existing under the laws of the State of Illinois, having full power to carry on its business as presently conducted, including the power to borrow the Loan and execute, deliver and perform its obligations under the Loan Documents.

(c) All requisite actions on the part of the Beneficiary to authorize the execution and delivery by the Trust of the Loan Documents have been duly and validly taken.

(d) This Mortgage and all of the other Loan Documents were duly executed and delivered by the Trust and/or the Beneficiary, as the case may be, and each such document constitutes the legal, valid and binding obligation and agreement of the Trust and/or the Beneficiary, as the case may be, enforceable in accordance with their respective terms.

(e) Neither the execution and delivery by the Trust or the Beneficiary of the Loan Documents, the execution and delivery by the Trust or the Beneficiary of existing Tenant Leases nor the performance and observance by the Trust or the Beneficiary of the terms of the Loan Documents and Tenant Leases contravene any provision of existing law or regulation and do not and will not conflict with or result in any breach of the terms, conditions or provisions of or constitute a default under the agreements creating the Trust or Beneficiary, any instrument binding upon the Trust or the Beneficiary or any order, writ, injunction, decree or demand of any court or any governmental authority affecting the Trust, the Beneficiary or the Premises.

(f) The Premises complies with all applicable building and development ordinances and regulations applicable to the Premises. All licenses, approvals, permits, authorizations, easements and certificates required in connection with the present occupancy of the Premises from all governmental subdivisions and agencies having jurisdiction over the Premises have been duly and validly issued and obtained and are in full force and effect. The use and occupancy of the Premises for the purposes for which they are intended and as presently conducted thereon are wholly lawful.

(g) There are no pending or threatened proceedings before any court or governmental agency or moratoria which would interfere with or enjoin the furnishing of any utility services to the Premises or the operation of the Premises or any part thereof.

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(h) There are no pending or threatened bankruptcy or like proceedings against or involving the Trust or the Beneficiary under the Bankruptcy Code of the United States or any chapter thereof or any like statute, state or Federal.

(i) There are no pending or threatened proceedings before any court or governmental agency which could materially affect the Premises or the validity or enforceability of this Mortgage or any of the other Loan Documents or which might materially adversely affect the financial condition or assets of the Trust or the Beneficiary.

(j) Beneficiary is a duly formed and validly existing limited partnership under the laws of the State of Illinois, is in good standing there, has all the requisite power and authority to conduct its businesses, own its properties and to issue, execute and deliver the Loan Documents, and the execution and delivery of the Loan Documents have been duly authorized by all necessary action on the part of Beneficiary's partners. The sole general partner of Beneficiary is A & A McCormick, Inc., an Illinois corporation owned in equal shares by Bill Anest and Peter Anest (as to one percent). The sole limited partners of Beneficiary are Bill Anest and Peter Anest (each as to 49.5 percent).

(k) The July 10, 1986 lease between the Trust and Plitt Theatres Inc. ("Plitt"), as amended on April 14, 1988, November 29, 1989, and on March 1, 1994 (the "Plitt Lease") evidences the entire relationship between Borrower and Plitt, except for the guaranty given to the Trust by Cineplex Odeon Corporation ("Guaranty"). The August 15, 1985, lease between the Trust (as indirect assignee of McCormick Road Associates) and the Metropolitan Sanitary District of Greater Chicago ("MSD") (the "MSD Lease") evidences the entire relationship between Borrower and MSD. The May 20, 1987, easement and license agreement recorded as document no. 88099082, between Borrower, McCormick Road Associates ("MRA"), LaSalle National Bank Land Trust No. 107306 and Chicago Title & Trust Company Land Trust No. 65062 (the "Super Gap Lease") evidences all of the relationships among the parties aforementioned as they relate to matters of parking and ingress and egress on or about the Property, the Restaurant Parcel (as that term is defined in the Super Gap Lease) and the Shopping Center Parcel (as that term is defined in the Super Gap Lease). The Plitt Lease, the Guaranty, the MSD Lease and the Super Gap Lease are hereinafter referred to as the "Contracts." Borrower has complied with all material provisions of the Contracts and is not aware of, nor has Borrower received notice of, any defaults thereunder or circumstances which after notice or lapse of time would constitute defaults thereunder. There are no defaults thereunder. All of the Contracts are valid and binding in accordance with their terms, except as their enforceability may be

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limited by bankruptcy, insolvency, moratorium or other laws relating to or affecting creditors rights generally, and the exercise of judicial discretion in accordance with general equitable principles, and true and complete copies of all of the Contracts and all amendments, renewals and other modifications thereof, have been delivered to Lender.

(1) Beneficiary is not an "investment company" or a "company controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended. Beneficiary is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock.

ARTICLE II

Covenants of Mortgagor

SECTION 2.01. General Covenants. (a) Payment of Obligations. Mortgagor will punctually pay when due the Indebtedness as provided herein and in the Note, and Mortgagor will perform and observe all of its obligations under, and all of the provisions of, the Loan Documents.

(b) Continuation of Existence. Beneficiary will maintain the Trust's existence, rights and privileges and will not dissolve, terminate or transfer its interest in the Trust or otherwise dispose of all or substantially all of its assets, or change its legal structure, without in each case obtaining Mortgagee's consent. Beneficiary shall promptly notify Mortgagee of any default or alleged default under the Trust agreement and send to Mortgagee a copy of any notice of default under such agreement sent or received by any party thereto.

(c) Further Assurances. Mortgagor will, at Mortgagor's sole cost and expense and at the request of Mortgagee (i) promptly correct any defect or error which may be discovered in the contents of any of the Loan Documents, or in the execution, acknowledgment or recordation hereof or thereof and (ii) promptly do, execute, acknowledge, file, record and deliver, any and all such further acts, deeds, conveyances, mortgages, assignments, financing statements and continuations thereof, notices of assignment, transfers, certificates, assurances and other instruments as Mortgagee may reasonably require from time to time in order to carry out more effectively the purposes of this Mortgage, to subject to the lien and security interest hereby created any of Mortgagor's properties, rights or interests covered or now or

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hereafter intended to be covered hereby, to perfect and maintain said lien and security interest, and better to assure, convey, grant, assign, transfer and confirm unto Mortgagee the rights granted or now or hereafter intended to be granted to Mortgagee hereunder or under any other instrument executed in connection with this Mortgage or which Mortgagor may be or become bound to convey, mortgage or assign to Mortgagee in order to carry out the intention or facilitate the performance of the provisions of this Mortgage. It is understood and agreed that no request made under this Section 2.01(c) will be for the purpose of changing the financial terms of this Mortgage or any other Loan Document.

(d) Recordation and Re-Recordation of Mortgage. Mortgagor will, at the request of Mortgagee, promptly record and re-record, file and refile and register and re-register this Mortgage, any financing or continuation statements and every other instrument in addition or supplemental to any thereof that shall be required by any present or future law in order to perfect and maintain the validity, effectiveness and priority of this Mortgage and the lien and security interest intended to be created hereby, or to subject, to the extent elsewhere required under this Mortgage, after-acquired property of Mortgagor to such lien and security interest, in such manner and places and within such times as may be necessary to accomplish such purposes and to preserve and protect the rights and remedies of Mortgagee. Mortgagor will furnish to Mortgagee evidence satisfactory to Mortgagee of every such recording, filing and registration.

(e) Defense of Title Litigation. If the lien, security interest, validity or priority of this Mortgage, or if title or any of the rights of Mortgagor or Mortgagee in or to the Premises, shall be endangered or legally challenged, or shall be attacked directly or indirectly, or if any action or proceeding is instituted against Mortgagor or Mortgagee with respect thereto, Mortgagor will promptly notify Mortgagee thereof to the extent Mortgagor has notice thereof and will diligently endeavor to cure any defect on which such challenge, action or proceeding is based except to the extent caused by the act or omission of Mortgagee, and will take all necessary and proper steps for the defense of such action or proceeding, including the employment of counsel, the prosecution or defense of litigation and, subject to Mortgagee's approval, the compromise, release or discharge of any and all adverse claims. If Mortgagor shall have failed to comply with its obligations under this Section 2.01, Mortgagee (whether or not named as a party to such actions or proceedings) is hereby authorized and empowered (but shall not be obligated) to take such steps as Mortgagee may reasonably deem necessary or proper for the defense of any such action or proceeding or the protection of the lien, security interest, validity or priority of this Mortgage or

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of such title or rights, including the employment of counsel, the prosecution or defense of litigation, the compromise, release or discharge of such adverse claims, the purchase of any tax title and the removal of such prior liens and security interests. Mortgagor shall, within fifteen (15) days after demand, reimburse Mortgagee for all reasonable expenses (including attorney's fees and disbursements) incurred by Mortgagee in connection with the foregoing matters. All such costs and expenses of Mortgagee, until reimbursed by Mortgagor, shall be part of the Indebtedness and shall be deemed to be secured by this Mortgage.

SECTION 2.02. Operation and Maintenance.

(a) Repair and Maintenance. Subject to the provisions of Sections 2.04 and 2.05, Mortgagor will operate and maintain, or cause to be operated and maintained, the Land, the Improvements and the Equipment in good order, repair and operating condition (ordinary wear and tear excepted), will promptly make all necessary repairs, renewals, replacements, additions and improvements thereto, interior and exterior, structural and nonstructural, foreseen and unforeseen, or otherwise necessary to insure that the same as part of the security under this Mortgage shall not in any way be diminished or impaired, and will not cause or allow any of the Land, the Improvements or the Equipment to be wasted or to deteriorate, subject to normal wear and tear.

(b) Replacement of Equipment; Alterations. Mortgagor will replace all worn out or obsolete fixtures or personal property which form a part of the Improvements or the Equipment with fixtures or personal property comparable thereto unless replacement of such fixtures or personal property is not necessary to the efficient and economical operation or maintenance of the Improvements. Mortgagor will not, without Mortgagee's consent, remove from the Improvements any fixtures or personalty covered by this Mortgage (except to repair the same) unless the same is no longer necessary to the efficient and economical operation or maintenance of the Improvements or unless the same is replaced by Mortgagor with an article of comparable suitability and value owned by Mortgagor free and clear of any lien or security interest (other than Permitted Exceptions and the lien created by this Mortgage), in which case Mortgagee will deliver to Mortgagor an instrument releasing the lien of this Mortgage on the property so removed. The Improvements shall not be removed, demolished, altered or enlarged without Mortgagee's consent.

(c) Compliance with Laws. Subject to Mortgagor's rights under Section 2.06(d), Mortgagor will perform and comply promptly with, and cause the Land, the Improvements and the Equipment to be maintained, used and operated in accordance with, any and all (i)

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present and future laws, ordinances, rules, regulations and requirements of every duly constituted governmental or quasi-governmental authority or agency applicable to Mortgagor or the Premises, (ii) similarly applicable orders, rules and regulations of any regulatory, licensing, accrediting, insurance underwriting or rating organization or other body exercising similar functions, (iii) similarly applicable duties or obligations of any kind imposed under any Permitted Encumbrance or otherwise by law, covenant, condition, agreement or easement, public or private, and (iv) policies of insurance at any time in force with respect to the Premises. If Mortgagor receives any notice that Mortgagor or the Premises is in default under or is not in compliance with any of the foregoing, or notice of any proceeding initiated under or with respect to any of the foregoing, Mortgagor will promptly furnish a copy of such notice to Mortgagee.

(d) Legality of Use. Subject to Mortgagor's rights under Section 2.06(d) hereof, Mortgagor will not use or occupy, or permit the Land, the Improvements or the Equipment to be used or occupied in any manner which violates any applicable law, rule, regulation or order of any governmental authority having jurisdiction over Mortgagor or the Land, the Improvements or the Equipment, or which constitutes a public or private nuisance or which makes void, voidable or cancellable any insurance then in force with respect thereto.

(e) Zoning; Title Matters. Mortgagor will not without Mortgagee's consent: (i) initiate or support by taking action any zoning reclassification of the Premises, (ii) modify, amend or supplement any of the Permitted Exceptions except to eliminate any Permitted Encumbrance or reduce its effect on the Premises or, with respect to any Tenant Lease which constitutes a Permitted Encumbrance, to the extent permitted under the Assignment of Rents, Leases, Income and Profits referred to in Section 3.01 hereof and except to the extent otherwise permitted by Article III hereof, (iii) impose any restrictive covenants or encumbrances upon the Land or the Improvements (other than easements of access and operation to public utility companies granted in connection with the delivery of utility service by such company to the Land and the Improvements), execute or file any subdivision plat affecting the Land or the Improvements, transfer any air rights or development rights or consent to the annexation of the Premises to any municipality to which it is not already lawfully annexed or (iv) permit or suffer the Premises to be used by the public or any person in such manner as might make possible a claim of adverse usage or possession of or any implied dedication or easement.

(f) Specific Use. Mortgagor will use, operate and maintain the Improvements or cause the Improvements to be used,

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operated and maintained as a first class legitimate motion picture theatre and for no other use unless agreed to by Mortgagee.

SECTION 2.03. Insurance.

(a) Casualty Insurance. Mortgagor will keep the Improvements and the Equipment insured for the benefit of Mortgagee as follows:

(i) Against damage or loss by fire and such other hazards (including lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, vandalism, malicious mischief, aircraft, vehicle and smoke) and all risk of physical loss as are covered by the broadest form of extended coverage endorsement as is generally available from time to time in the Chicago, Illinois, metropolitan area with respect to commercial properties comparable to the Premises, in an amount as shall be sufficient to prevent Mortgagor from becoming a coinsurer, but in any event such insurance shall be maintained in an amount not less than the Full Insurable Value (as defined in subsection (h) of this Section) of the property insured.

(ii) Intentionally Omitted.

(iii) Rent or business interruption or use and occupancy insurance on such basis and in such amounts as shall be reasonably satisfactory to Mortgagee but in no event covering less than one year's loss in the aggregate annual amount of rent (including without limitation, base rent, rent based on a percentage of the gross income of tenants and payments for operating expenses and taxes) payable by tenants under all then existing Tenant Leases.

(iv) Against damage or loss by flood, on such basis and in such amounts as shall be reasonably required by Mortgagee but in no event exceeding the Full Insurable Value (as defined below); provided that flood insurance shall only be required if the Premises are located in an area identified by the Secretary of Housing and Urban Development or any successor as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, modified, supplemented or replaced from time to time.

(v) Against damage or loss from (i) sprinkler system leakage and (ii) boilers, boiler tanks, heating and air conditioning equipment, pressure vessels, auxiliary piping and similar apparatus, if any, on such basis and in such amounts as shall be reasonably required by Mortgagee, provided, however, that the

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amount required shall in no event exceed the Full Insurable Value (as defined in subsection (h) of this Section).

(vi) During the period of any construction, repair, restoration or replacement of the Premises (other than construction insured under existing policies in an amount at least equal to the value of the work performed and equipment, supplies, and materials furnished), a standard builder's all risk policy for an amount at least equal to the value of the work performed and equipment, supplies and materials furnished and worker's compensation insurance in statutory amounts; provided that to the extent that any tenant under a Tenant Lease undertakes to perform any construction, repair, restoration or replacement of that portion of the Premises which such tenant is occupying and the terms of such Tenant Lease require the tenant to maintain a standard builder's all risk policy naming Mortgagee as an additional insured in an amount equal to the value of the work being done, Mortgagor shall not be required to maintain the insurance required under this clause (vi) with respect to such work so long as tenant maintains such insurance or, upon failure by tenant to do so, Mortgagor pursues with diligence all remedies against such tenant to cause such noncompliance to be remedied.

(b) Liability Insurance. Mortgagor shall procure and maintain comprehensive general liability insurance covering Mortgagor and Mortgagee against claims for bodily injury or death or property damage occurring in, upon or about or resulting from the Premises, or any street, drive, sidewalk, curb or passageway adjacent thereto, and, at Mortgagee's request, if any part of the Premises shall be used for the sale or dispensation of intoxicating spirits, appropriate insurance against liability under any dram shop or similar law, all in standard form and with such insurance company or companies reasonably acceptable to Mortgagee and in such amounts as may be reasonably acceptable to Mortgagee, which insurance shall include Blanket Contractual Liability coverage which insures contractual liability under the indemnification set forth in subsection (v) of Section 4.03(a) of this Mortgage (but such coverage or the amount thereof shall in no way limit such indemnification).

(c) Other Insurance. Mortgagor, at Mortgagee's request, will procure and maintain such other insurance (including insurance for environmental risks) or such additional amounts of insurance, covering Mortgagor or the Premises, as Mortgagee shall from time to time reasonably require.

(d) Form of Policy. Premiums and any other charges for all insurance required under this Section shall be paid not later than thirty (30) days prior to the date on which said premiums or

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charges are due and the policies shall contain such provisions, endorsements and expiration dates as Mortgagee shall from time to time reasonably request, and shall be in such form and amounts (subject to the limitation described herein) and be issued by such insurance companies doing business in the State of Illinois as shall be reasonably approved by Mortgagee and as shall have a Class X and A or A+ Best's Casualty Insurance Reports rating. Without limiting the foregoing, all such policies (except policies for worker's compensation and liability insurance in which latter case Mortgagee shall be named as an additional insured) shall have endorsed thereon, in form reasonably acceptable to Mortgagee, the standard mortgagee clause, without contribution, a waiver of subrogation endorsement, a first loss payee clause and a special extended coverage endorsement, all in the name of Mortgagee. All such policies shall provide that the same shall not be cancelled (including by reduction in the scope, or limits of coverage) without at least thirty (30) days written notice to Mortgagee. Mortgagor may effect the insurance coverage required hereunder, in whole or in part, under one or more blanket insurance policies, provided that, and so long as (i) each such blanket policy, except in the case of liability insurance, shall specify thereon the total insurance allocated to the Premises, which amount shall be not less than that required hereunder, (ii) each such blanket policy shall otherwise comply in all respects with this Mortgage, (iii) Mortgagee shall be named as an additional insured under each such blanket policy to the extent required hereunder and (iv) the protection afforded thereunder shall be not less than that which would have been afforded under a separate policy with respect to the same insured risks. Mortgagee shall accept in satisfaction of Mortgagor's obligations hereunder policies of insurance purchased by Plitt Theatres, Inc., so long as such policies conform to the requirements of this Mortgage.

(e) Duplicate Originals or Certificates. The original policies or certificates therefor evidencing the insurance required under this Section and any additional insurance which shall be taken out on the Premises by or on behalf of Mortgagor shall be deposited with and held by Mortgagee and, in addition, Mortgagor will deliver to Mortgagee (i) receipts (or other evidence reasonably satisfactory to Mortgagee) evidencing payment of all premiums thereon and (ii) original renewal policies (or certificates therefor or a binding commitment from the insurance company to provide such insurance, which commitment shall be effective not later than the expiration date of the current policy) with evidence satisfactory to Mortgagee of payment of all premiums then due thereon (subject to any grace periods provided in such policies), at least thirty (30) days prior to the expiration of each such policy.

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(f) No Separate Insurance. Mortgagor shall not carry separate or additional insurance concurrent in form or contributing in the event of loss with that required under this Section unless endorsed in favor of Mortgagee in accordance with the requirements of this Section and otherwise approved by Mortgagee in all respects, which approval will not be unreasonably withheld or delayed.

(g) Transfer of Title. In the event of foreclosure of this Mortgage or other transfer of title or of the Premises in extinguishment, in whole or in part, of the Indebtedness, all right, title and interest of Mortgagor in and to all policies of insurance required under this Section or otherwise then in force with respect to the Premises and all proceeds payable thereunder and unearned premiums thereon (other than any "blanket" insurance policies which cover property in addition to the Premises) shall immediately vest in the purchaser or other transferee of the Premises.

(h) Replacement Cost. For purposes of this Section, the term "Full Insurable Value" shall mean the cost of replacing the Improvements and the Equipment, exclusive of the cost of excavations, foundations and footings, as determined from time to time (but not less often than once every calendar year) by the insurance company or companies holding such insurance or by an appraiser, engineer, architect or contractor proposed by Mortgagor and approved by said company or companies and Mortgagee. "Full Insurable Value" shall not be less than the amount of all indebtedness (including the Indebtedness) encumbering the Premises, any portion thereof, or any legal, equitable or beneficial interest therein.

SECTION 2.04. Damage and Destruction. (a) Mortgagor's Obligations. In the event of any damage to or loss or destruction of all or any part of the Premises, Mortgagor shall promptly notify Mortgagee of such event. Subject to Unavoidable Delays (as defined below) and unless instructed by Mortgagee in accordance with Section 2.04(c) hereof that the Insurance Proceeds (as hereinafter defined) payable on account of such damage, loss or destruction are to be applied toward the payment of the Indebtedness, Mortgagor shall promptly, regardless of whether such Insurance Proceeds shall be sufficient for the purpose, commence and diligently proceed to perform and complete, in a first-class workmanlike manner, the restoration, replacement and rebuilding of the Premises as nearly as possible (to the extent permitted by then applicable laws, ordinances, codes, rules and regulations) to its condition immediately prior to such damage, loss or destruction with such changes in design and layout as Mortgagor may deem appropriate and, with respect to any such change costing in excess of Ten Percent

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(10%) of the Original Principal Amount, as adjusted in accordance with the CPI Escalator (as described in Section 2.04(g)), as shall be reasonably approved by Mortgagee (such restoration, replacement and rebuilding of the Premises is hereinafter referred to as "Restoration"). The plans and specifications therefor and the general contractor and architect in charge of any Restoration shall be approved by Mortgagee. Prior to the commencement of any Restoration estimated to cost in excess of Ten Percent (10%) of the Original Principal Amount, as adjusted in accordance with the CPI Escalator, Mortgagor shall deliver to Mortgagee for its approval an estimate of an independent registered architect or a licensed professional engineer of the cost of Restoration. Prior to the commencement of any Restoration, Mortgagor shall obtain and furnish Mortgagee with copies of all permits, approvals and authorizations as may be required for the Restoration to be performed in accordance with all applicable legal requirements. For purposes of this Mortgage, an "Unavoidable Delay" shall mean a delay caused by strike, lockout, war, act of god, fire or other casualty, unforeseeable adverse weather conditions, inability to obtain or delay in obtaining labor or materials, governmental restriction or other act or condition (except Mortgagor's lack of funds) beyond the reasonable control of Mortgagor.

(b) Proof of Loss, Settlement and Adjustment of Insurance Claims. Except as set forth below in this subsection (b), in the event that all or any part of the Premises is damaged, destroyed or lost, and such damage, destruction or loss is covered, in whole or in part, by insurance and provided no Event of Default shall have occurred and be continuing Mortgagor may make proof of loss and settle, adjust and compromise any claims under such insurance, provided that with respect to any claim equal to or in excess of Ten Percent (10%) of the Original Principal Amount, as adjusted in accordance with the CPI Escalator, such settlement, adjustment or compromise shall be subject to Mortgagee's prior approval. Mortgagee may, but shall not be obligated to, make proof of loss if not made promptly by Mortgagor and is hereby authorized and empowered by Mortgagor, immediately after notice to Mortgagor and, subject to the approval of Mortgagor, to settle, adjust or compromise any such claims. If an Event of Default shall have occurred and be continuing, Mortgagee shall have the sole right to make proof of loss and settle, adjust or compromise any such claims.

(c) Application of Proceeds. Unless an Event of Default shall have occurred and be continuing, proceeds of insurance payable on account of damage, loss or destruction to the Premises ("Insurance Proceeds") in an amount less than Ten Percent (10%) of the Original Principal Amount, as adjusted in accordance with the CPI Escalator, shall be paid directly to Mortgagor and shall be

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held in trust and applied to Restoration. If an Event of Default shall have occurred or be continuing or if Insurance Proceeds are equal to or in excess of Ten Percent (10%) of the Original Principal Amount, as adjusted in accordance with the CPI Escalator, all Insurance Proceeds shall be payable to Mortgagee to be held in trust in accordance with the provisions hereof, and Mortgagor hereby authorizes and directs any affected insurance company to make payment of such Insurance Proceeds directly to Mortgagee and, in such event, Mortgagor shall promptly pay over to Mortgagee any such Insurance Proceeds received by Mortgagor. Mortgagee shall have the right to apply the Insurance Proceeds, first, to reimburse Mortgagee for all reasonable costs, and expenses, including reasonable adjusters and attorneys fees and disbursements, incurred in connection with the collection of such Proceeds, and, second, at Mortgagee's option, to (i) the payment (without premium or penalty) of all or any part of the Indebtedness, in the order and manner determined by Mortgagee in its sole discretion (provided that to the extent that any Indebtedness shall remain outstanding after such application, such unpaid Indebtedness shall continue in full force and effect and Mortgagor shall not be excused in the payment thereof), (ii) the cure of any then current default hereunder or (iii) Restoration. Notwithstanding the foregoing, unless an Event of Default shall have occurred and be continuing, Mortgagee will not elect to apply the Insurance Proceeds to the payment of the Indebtedness and shall make all such Insurance Proceeds paid on account of any such damage or destruction (after reimbursement to Mortgagee of all reasonable costs and expenses incurred in connection with the collection of such Insurance Proceeds) available to Mortgagor for the Restoration of the Premises in accordance with the provisions of this Mortgage, provided that Mortgagor has provided Mortgagee with evidence reasonably satisfactory to Mortgagee that (A) there are funds available and/or committed which, when added to the Insurance Proceeds paid on account of such damage or destruction, will be sufficient to pay the cost of the Restoration, the expenses of operating and maintaining the Premises, as such expenses are incurred, and all indebtedness secured by the Premises (including the Indebtedness) when and as due, until the Premises are generating sufficient revenues to cover such costs, expenses and such indebtedness; and (B) either (x) the Premises will be restored in full to its condition immediately prior to such damage, loss or destruction or (y) the collateral value of the Premises as restored will be equal to or greater than the outstanding principal amount of the Note and any other indebtedness secured by the Premises as of the date of such damage, loss or destruction times One Hundred Thirty-Three Percent (133%); and provided further that in the event that Mortgagor has satisfied the requirements of clause (A) above but not the requirements of clause (B) above, such Insurance Proceeds shall be applied, first, to reimburse Mortgagee for all reasonable

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costs and expenses incurred in connection with the collection of such Proceeds (including reasonable attorneys fees and disbursements and costs incurred by Mortgagee or its agents in inspecting any Restoration and the plans and specifications therefor), second, to prepay (without premium or penalty) the principal amount of the Note to the extent necessary so that the collateral value of the Premises after the completion of Restoration shall equal or exceed the outstanding principal amount of the Note, after giving effect to the aforesaid prepayment, and any other indebtedness secured by the Premises times One Hundred Thirty-Three Percent (133%) and, third, the balance of such Proceeds shall be made available to Mortgagor for the Restoration of the Premises in accordance with the provisions of this Mortgage.

(d) Disbursement of Insurance Proceeds for Restoration.
To the extent Insurance Proceeds are to be applied hereunder for Restoration, Mortgagee shall make such Proceeds available to Mortgagor, upon presentation to Mortgagee of the following:

(i) A requisition therefor, together with invoices, which requisition shall be signed by Mortgagor and verified by Mortgagor's architect in charge of Restoration and shall certify that (A) all of the work completed has been done substantially in compliance with the approved plans and specifications; (B) the sum then requested either has been paid by Mortgagor, or is justly due to contractors, subcontractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for Restoration, the names and addresses of such persons, a brief description of such services and materials, and the several amounts so paid or due to each of said persons in respect thereof; (C) the sum then requested, when added to all sums previously paid out by Mortgagee, does not exceed the value of the work done to the date of such requisition; (D) the amount of such Insurance Proceeds remaining in the hands of Mortgagee will be sufficient to pay for the completion of the Restoration (giving in such reasonable detail as Mortgagee may require an estimate of the cost of such completion); (E) no part of such expenditures has been or is being made the basis of any previous or then pending requisition; and (F) except for the amount, if any, stated in such certificate to be due for services or materials, there is no outstanding indebtedness known to the person signing such certificate, after due inquiry, which is then due for labor, wages, materials, supplies or services in connection with Restoration;

(ii) A title report or, in lieu thereof, other evidence reasonably satisfactory to Mortgagee, showing that there have not been any vendor's, contractor's, mechanic's, laborer's or materialmen's statutory or similar liens filed with respect to the Premises which have not been discharged of record or duly bonded or

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insured over, except such as will be discharged upon payment of the sum being requisitioned.

(e) Investment of Insurance Proceeds. Any Insurance Proceeds held by Mortgagee to be applied towards Restoration shall, to the extent practicable, be invested by Mortgagee pending disbursement in (i) direct and general obligations of, or obligations the payment of principal of and interest on which are unconditionally guaranteed by, the United States of America or (ii) FDIC insured bank accounts. All interest earned on the aforesaid investments shall become a part of such Insurance Proceeds.

(f) Miscellaneous. After completion of Restoration in accordance with the plans and specifications approved by Mortgagee and payment in full of all costs of Restoration, as evidenced by a certificate to such effect signed by Mortgagor and verified by Mortgagor's architect, and after payment to Mortgagee of all reasonable costs and expenses incurred in connection with the collection of such Proceeds (including reasonable adjusters and attorneys fees and disbursements and costs incurred by Mortgagee or its agents in inspecting any Restoration and the plans and specification therefor), any remaining Insurance Proceeds shall be paid to Mortgagee and applied against the Indebtedness in the order and manner determined by Mortgagee in its sole discretion.

(g) CPI Escalator. Amounts required to be adjusted in accordance with the CPI Escalator pursuant to this Section 2.04 and Section 2.05 shall be adjusted to reflect increases from the calendar month and year in which this Mortgage is executed in The Consumer Price Index (New Series) (Base Period 1982-1984 = 100) (all items for all urban consumers for the Chicago, Illinois area), as issued by the Bureau of Labor Statistics of the United States Department of Labor (the "Price Index"). Such amounts shall be increased annually, in each January during the term hereof, by the product obtained by multiplying each such amount by the percentage, if any, by which the Price Index for the preceding December exceeds the Price Index for the calendar month and year in which this Mortgage is executed.

(h) Plitt Lease. Mortgagor shall not be in default of this Section 2.04 for failure to itself discharge any of its obligations hereunder that are coextensive with the obligations of Plitt to Mortgagor under Section 16.01 of the Plitt Lease, provided that Plitt has discharged or is diligently pursuing discharge of its obligations thereunder. Mortgagee consents to the application of Insurance Proceeds by Plitt to the Restoration of the Premises, and the provisions of this Section 2.04 shall be construed in order to give effect to Plitt's right of Restoration under the Plitt Lease; provided, however, that nothing herein shall be construed to

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preclude the application of any specific provision of this Section 2.04 which is not necessarily inconsistent with Plitt's right of Restoration under the Plitt Lease; by way of illustration and not limitation, Mortgagee may require that Insurance Proceeds be held in trust as provided in Section 2.04(c), as long as all required disbursements are made for purposes for Restoration. Nothing in this Section 2.04 shall be construed to grant Mortgagee any rights to or in insurance proceeds payable in respect of Plitt's trade fixtures and equipment, the same to be paid directly to Plitt or as Plitt may direct, and not to Mortgagee.

SECTION 2.05. Condemnation. (a) Mortgagor's Obligation: Proceedings. Mortgagor, upon obtaining knowledge of the institution of any proceedings for the condemnation of all or any part of the Premises, or any interest therein, or of any right of eminent domain, or of any other proceedings arising out of any other claim by a government or governmental agency that if successful will result in injury or damage to, or decrease in the value of the Premises, or any part thereof or interest therein (including a change in grade of any street), will promptly notify Mortgagee thereof. If less than all or substantially all of the Premises are taken, and unless instructed by Mortgagee in accordance with Section 2.05(c) that the Condemnation Proceeds (as defined below) are to be applied toward the payment of the Indebtedness, Mortgagor shall promptly, subject to Unavoidable Delays but regardless of whether or not Condemnation Proceeds, if any, shall be available or, if available, shall be sufficient for the purpose, commence and with reasonable diligence proceed to perform and complete, in a good and first-class workmanlike manner, the Restoration of the remainder of the Premises. In the event that the cost of the Restoration, as estimated by Mortgagor's architect or engineer, shall exceed Ten Percent (10%) of the Original Principal Amount, as adjusted in accordance with the CPI Escalator, then the plans and specifications therefor and the general contractor and architect in charge of construction shall be subject to the Mortgagee's prior approval. Prior to the commencement of any Restoration estimated to cost in excess of Ten Percent (10%) of the Original Principal Amount, as adjusted in accordance with the CPI Escalator, Mortgagor shall deliver to Mortgagee for its approval an estimate of an independent registered architect or a licensed professional engineer of the cost of Restoration. Prior to the commencement of any Restoration, Mortgagor shall obtain and furnish Mortgagee with copies of all permits, approvals and authorizations as may be required for the Restoration to be performed in accordance with all applicable legal requirements.

(b) Total Taking. In the event of a taking by eminent domain or condemnation or by other similar proceedings, or in any

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other similar manner (any of the foregoing is hereinafter referred to as a "Taking") of all or substantially all of the Premises or if an Event of Default shall have occurred and be continuing, Mortgagee shall be entitled to all compensation, awards, damages, rights of action and proceeds awarded to Mortgagor and Mortgagee (including any awards for change of grade of streets). All of the foregoing are hereinafter referred to as "Condemnation Proceeds," and such Condemnation Proceeds are assigned to Mortgagee to the extent of any sums then owing to Mortgagee by Mortgagor. Mortgagor agrees to execute and deliver such further assignments thereof as Mortgagee may request and authorizes Mortgagee to collect and receive the same, to give receipts and acquittances therefor, and to appeal from any such judgment, decree or award. Mortgagee shall in no event be liable or responsible for failure to collect, or exercise diligence in the collection of, any of the same. Mortgagee shall apply all Condemnation Proceeds received pursuant to this Section 2.05(b), first, to the payment of all reasonable costs and expenses, including reasonable attorneys fees and disbursements, incurred by it in connection with the collection of such Proceeds, second, the payment (without penalty or premium) of all or any part of the Indebtedness, in the order and manner determined by Mortgagee in its sole discretion (provided that to the extent that any of the Indebtedness shall remain outstanding after such application, such unpaid Indebtedness shall continue in full force and effect), and third, the balance, if any, to Mortgagor or to the person or persons legally entitled thereto.

(c) Partial Taking. In the event less than substantially all of the Premises shall be the subject of a Taking and the cost of restoring the remainder of the Premises shall be less than Ten Percent (10%) of the Original Principal Amount, as adjusted in accordance with the CPI Escalator, and provided that at the time the Condemnation Proceeds are paid no Event of Default has occurred and is continuing, such Condemnation Proceeds shall be paid directly to Mortgagor and shall be held in trust and applied by Mortgagor to restore the Premises as nearly as possible to its condition immediately prior to such Taking. In the event less than substantially all of the Premises shall be the subject of a Taking and the cost of restoring the remainder of the Premises which is not the subject of a Taking shall equal or exceed Ten Percent (10%) of the Original Principal Amount, as adjusted in accordance with the CPI Escalator, such Condemnation Proceeds are assigned and shall be payable to Mortgagee and shall be held in trust, and Mortgagor agrees to promptly pay over to Mortgagee any such Condemnation Proceeds received by Mortgagor. Mortgagee shall have the right to apply the Condemnation Proceeds, first, to reimburse Mortgagee for all reasonable costs and expenses, including reasonable attorneys fees and disbursements and costs incurred by Mortgagee or its agents in inspecting any Restoration and the plans

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and specifications therefor, incurred in connection with the collection of such Condemnation Proceeds, and, second, at Mortgagee's option, to (i) the payment (without premium or penalty) of all or any part of the Indebtedness, in the order and manner determined by Mortgagee in its sole discretion (provided that to the extent that any Indebtedness shall remain outstanding after such application, such unpaid indebtedness shall continue in full force and effect and Mortgagor shall not be excused in the payment thereof), (ii) the cure of any then current default hereunder or (iii) the Restoration of the remainder of the Premises not the subject of the Taking. Notwithstanding the foregoing, unless an Event of Default shall have occurred and be continuing hereunder, Mortgagee will not elect to apply the Condemnation Proceeds to the payment of the Indebtedness and shall make all such Condemnation Proceeds paid on account of any such Taking (after reimbursement to Mortgagee of all reasonable costs and expenses incurred in connection with the collection thereof) available to Mortgagor for the Restoration of the Premises in accordance with the provisions of this Mortgage, provided that Mortgagor has provided Mortgagee with evidence reasonably satisfactory to Mortgagee that (A) there are funds available and/or committed which, when added to the Condemnation Proceeds paid on account of such Taking, will be sufficient to pay the cost of the Restoration, the expenses of operating and maintaining the Premises, as such expenses are incurred and the indebtedness secured by the Premises (including the Indebtedness), when and as due, until the Premises are generating sufficient revenue to cover such costs, expenses and such indebtedness and (B) the collateral value of the Premises as restored will be equal to or greater than the outstanding principal amount of the Note and any other indebtedness secured by the Premises as of the date of the Taking times One Hundred Thirty-Three Percent (133%); and provided further that in the event that Mortgagor has satisfied the requirements of clause (A) above but the collateral value of the Premises after completion of Restoration would be less than the outstanding principal amount of the Note and any other indebtedness secured by the Premises as of the date of the Taking times One Hundred Thirty-Three Percent (133%) such Condemnation Proceeds shall be applied first, to reimburse Mortgagee for all reasonable costs and expenses incurred in connection with the collection of such Proceeds (including reasonable attorneys fees and disbursements and costs incurred by Mortgagee or its agents in inspecting any Restoration and the plans and specifications therefor), second, to prepay (without premium or penalty) the principal amount of the Note to the extent necessary so that the collateral value of the Premises after the completion of Restoration shall equal or exceed the outstanding principal amount of the Note, after giving effect to the aforesaid prepayment, and any other indebtedness secured by the Premises times One Hundred Thirty-Three Percent (133%) and, third, the

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balance of such Proceeds shall be made available to Mortgagor for the Restoration of the Premises in accordance with the provisions of this Mortgage.

(d) Temporary Taking. In the event of a Taking for a temporary use or occupancy of all or any part of the Premises for any public or quasi-public use or purpose, this Mortgage shall be and remain unaffected by such temporary Taking and Mortgagor shall continue to be responsible for all of its obligations hereunder and shall continue to pay the Indebtedness, when and as due. In the event of such temporary Taking, Mortgagor shall be entitled to appeal, claim, prove and receive the entire award. At the termination of such public or quasi-public occupancy, Mortgagor shall, at its own expense, restore the Premises as nearly as possible to its condition prior to such temporary Taking.

(e) Disbursement of Condemnation Proceeds for Restoration. To the extent Condemnation Proceeds are held by Mortgagee and are to be applied hereunder for Restoration of the Premises, Mortgagee shall disburse such Proceeds to Mortgagor in accordance with the procedures set forth in Section 2.04(d).

(f) Investment of Condemnation Proceeds. Any Condemnation Proceeds held by Mortgagee to be applied towards Restoration of the Premises shall, to the extent practicable, be invested by Mortgagee pending disbursement in the same manner as provided in Section 2.04(e) with respect to Insurance Proceeds.

(g) Proof of Loss, Settlement and Adjustment of Claims. Except as set forth below in this subsection (g), Mortgagor may make proof of loss and settle, adjust and compromise any claim in connection with a Taking of all or any part of the Premises, provided that, with respect to any claims equal to or in excess of Ten Percent (10%) of the Original Principal Amount, as adjusted in accordance with the CPI Escalator, such settlement, adjustment or compromise shall be subject to Mortgagees prior approval. Mortgagee may, but shall not be obligated to, make proof of loss if not made promptly by Mortgagor and is hereby authorized and empowered by Mortgagor, immediately after notice to Mortgagor and subject to the approval of Mortgagor, to settle, adjust or compromise any such claims. If an Event of Default shall have occurred and be continuing, Mortgagee shall have the sole right to settle, adjust or compromise any claim in connection with such Taking.

(h) Miscellaneous. After completion of Restoration in accordance with the plans and specifications approved by Mortgagee and payment in full of all costs of Restoration, as evidenced by a certificate to such effect signed by Mortgagor and verified by

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Mortgagor's architect, and after payment to Mortgagee of all reasonable costs and expenses incurred in connection with the collection of such Condemnation Proceeds (including reasonable adjusters and attorneys, fees and disbursements and costs incurred by Mortgagee or its agents in inspecting any Restoration and the plans and specifications therefor), any remaining Condemnation Proceeds shall be paid to Mortgagee and applied against the Indebtedness in the order and manner determined by Mortgagee in its sole discretion.

SECTION 2.06. Liens and Liabilities. (a) Discharge of Liens. Subject to Mortgagor's rights under Section 2.06(d), Mortgagor will pay, insure over, bond or otherwise discharge all claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in, or permit the creation of, a lien on the Premises, or on the revenues, rents, issues, income or profits arising therefrom and, in general, Mortgagor shall do, or cause to be done, at Mortgagor's sole cost and expense, everything necessary to preserve fully the lien and priority of this Mortgage. Mortgagor shall pay, insure over, bond or otherwise discharge such claims and demands within thirty (30) days after receiving notice of the filing thereof.

(b) Creation of Liens. Subject to Mortgagor's rights under Section 2.06(d), Mortgagor shall not, without Mortgagee's consent, create, place or permit to be created or placed, or through any act or failure to act acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for real property taxes and/or assessments on the Premises for which fines, penalties, interest or costs may not yet be assessed for nonpayment), security interest, encumbrance or charge, or conditional sale or other title retention document, against or covering the Premises, prior to, on a parity with or subordinate to the lien of this Mortgage, other than Permitted Exceptions, and Mortgagor shall maintain this Mortgage as a first priority lien on the Premises. If any of the foregoing be or become attached to the Premises without such consent, Mortgagor will promptly cause the same to be discharged and released or bonded or insured over (and, in the case of any mechanic's materialmen's, laborers' and other similar liens, within thirty (30) days of the receipt of notice of the filing thereof).

(c) No Consent. Nothing in the Note, the other Loan Documents or this Mortgage shall be deemed or construed in any way as constituting the consent or request by Mortgagee, express or implied, to any contractor, subcontractor, laborer, mechanic or materialman for the performance of any labor or the furnishing of any material for any improvements, construction, alteration or

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repair of the Premises. Mortgagor further agrees that Mortgagee does not stand in any fiduciary relationship to Mortgagor.

(d) Right to Contest. In this Section 2.06 and to the extent this Section is specifically referred to in Sections 2.02(c), 2.02(d), 2.06(a), 2.06(b), 2.07(a), 2.07(e) and 4.01 of this Mortgage, Mortgagor, at its expense, after prior notice to Mortgagee, may contest by appropriate legal or other proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any Imposition (as hereinafter defined), any tax assessment or lien therefor, any law, ordinance or regulation, any claims or liens of mechanics, materialmen, suppliers or vendors, or any other tax, charge or other matter required to be complied with or paid pursuant to such Sections, provided that (i) in the case of liens of laborers, mechanics, materialmen, suppliers or vendors, or taxes, assessments or liens therefor, such proceedings shall suspend the collection thereof from Mortgagee and the Premises; (ii) the Premises or any interest therein would not be in any danger of being sold, forfeited or lost by reason of such proceedings; (iii) in the case of a law, ordinance or regulation, Mortgagee would not be in any danger of any criminal liability or, unless Mortgagor shall have furnished a bond or other security therefor satisfactory to Mortgagee, any additional civil liability for failure to comply therewith, and the Premises would not be subject to the imposition of any lien as a result of such failure which is not properly contested and/or bonded pursuant to this Section 2.06(d); (iv) no insurance coverage required to be maintained pursuant to this Mortgage shall be cancelled or jeopardized as a result of the contest; and (v) if required by Mortgagee, Mortgagor shall have furnished to Mortgagee a bond, title insurance or other security reasonably satisfactory to Mortgagee to protect Mortgagee from any liability to which it may be exposed or any material loss or impairment of the lien of and security interest granted by this Mortgage.

SECTION 2.07. Taxes and Other Items. (a) Taxes on the Premises. Subject to Mortgagor's rights under Section 2.06(d) hereof, Mortgagor will pay (i) before any penalty, interest or cost for nonpayment thereof may be added thereto, all taxes, assessments, vault, water and sewer rents, rates, charges and assessments, levies, permits, inspection and license fees and other governmental and quasi-governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, heretofore or hereafter assessed, levied or otherwise imposed against or upon, or which may become a lien upon, the Premises or any part thereof or any appurtenance thereto, or the revenues, rents, issues, income and profits of the Premises or arising in respect of the occupancy, use or possession thereof (collectively, "Impositions") and (ii)

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any penalty, interest or cost for nonpayment of Impositions which may become due and payable, and such penalties, interest or cost shall be included within the term "Impositions". Mortgagor may pay in installments any Imposition which is permitted to be paid in installments without penalty or penalty interest.

(b) Receipts. Mortgagor will furnish to Mortgagee proof of payment at the time the same is made, and thereafter, upon receipt, validated receipts, or other evidence reasonably satisfactory to Mortgagee, showing payment in full of all Impositions.

(c) Escrow for Charges. For purposes of this paragraph, the term "Charges" shall mean all Impositions (as defined in paragraph (a), above), all amounts payable under the MSD Lease and all amounts payable as premiums for insurance described in Section 2.03, above.

(i) On the date hereof, Mortgagor shall deposit with Mortgagee or any service or financial institution selected by Mortgagee (the "Depository"), as Mortgagee shall direct, the sum of \$140,000 (the "Initial Reserve"). Until further notice from Mortgagee, Near North National Title Corporation ("Near North") shall be an approved institution. However, the failure of Near North to timely discharge any obligations hereunder shall not be imputed to Mortgagee and shall be the sole responsibility of Mortgagor, and shall not excuse Mortgagor's obligations to Mortgagee hereunder.

(ii) On the first business day of each month, beginning with the month of May, 1994, Mortgagor shall deposit with Mortgagee or Depository, as Mortgagee shall direct, an amount equal to one-twelfth (1/12th) of the excess of (A) the annual Impositions and the annual amounts due under the MSD Lease, as reasonably estimated by Mortgagee, over (B) the outstanding balance of the Initial Reserve.

(iii) From time to time Mortgagor shall, if required by Mortgagee, deposit with Mortgagee or Depository, as Mortgagee may direct, a sum of money which, together with the aforesaid monthly installments and any remaining Initial Reserve, will be sufficient to make said payments of Impositions and amounts due under the MSD Lease thirty (30) days before such payments are due. If the actual amount of any Impositions or amounts due under the MSD Lease is not ascertainable at the time any deposit is required to be made under this Section 2.07(c), the deposit shall be made on the basis of Mortgagee's reasonable estimate thereof and, when such amount is fixed, Mortgagor shall promptly deposit any deficiency with Mortgagee or the Depository, as Mortgagee may direct. If the total

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Monthly deposits made by Mortgagor pursuant to this Section 2.07(c) shall exceed the amounts actually paid by Mortgagee for Impositions and amounts due under the MSD Lease, such excess shall be credited toward subsequent monthly deposits to be made by Mortgagor pursuant to this Section 2.07(c).

(d) Use of Deposits. All funds deposited with Mortgagee or the Depository, as the case may be, pursuant to the provisions of Section 2.07(c) shall be applied to the payment of Charges. All funds deposited by Mortgagor with Mortgagee or the Depository, as the case may be, pursuant to the provisions of this Section 2.07 shall constitute additional security for the Indebtedness, shall be held by Mortgagee or the Depository in a non-interest bearing account, may be commingled with other funds of Mortgagee or the Depository, and shall be applied to the payment of Charges, but only to the extent that Mortgagee or the Depository shall have such funds on hand. Neither Mortgagee nor the Depository shall have any obligation to apply said funds as stated above prior to the last day on which payment thereof may be made without penalty or interest charge and in any case not until Mortgagor shall have furnished Mortgagee or the Depository, as the case may be, with the bills or invoices therefor or other evidence reasonably satisfactory to Mortgagee of the amounts due and payable. Mortgagor hereby grants to Mortgagee a security interest in said deposits in accordance with Article 9 of the Uniform Commercial Code of the State of Illinois and agrees to cooperate with Mortgagee in the execution and filing of financing statements and other documents required to perfect and maintain such security interest. Upon an assignment of its interest in this Mortgage, Mortgagee shall have the right to pay over the balance of such deposits to the assignee and Mortgagee shall thereupon be completely released from all liability with respect to such deposits and Mortgagor shall look solely to the assignee thereof. The provision in the preceding sentence shall apply to every transfer of such deposits to a new assignee.

(e) Income and Other Taxes Imposed on Mortgagor. Subject to Mortgagor's rights under Section 2.06(d) hereof, Mortgagor will promptly pay all income, franchise and other taxes owing by Mortgagor the nonpayment of which would result in a lien against the Premises, and any stamp taxes which may be required to be paid in connection with this Mortgage or any other Loan Document, together with any interest or penalties thereon.

(f) Recording Fees and Other Taxes Imposed on Mortgagee. Mortgagor will pay any and all taxes (including any mortgage recording tax), charges, filing, registration and recording fees, excises and levies imposed upon Mortgagee by reason of or in connection with the execution of this Mortgage, the Note or any

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other Loan Document or Mortgagee's ownership of this Mortgage or any mortgage supplemental hereto, any security instrument with respect to any Equipment or any instrument of further assurance, and shall pay all corporate stamp and other taxes required to be paid on the Indebtedness and this Mortgage. Notwithstanding the foregoing or any other provision of this Mortgage to the contrary, Mortgagor shall not be required to pay any tax which may arise in connection with the transfer of the Note or any income, profits or revenue tax upon the income of Mortgagee or any franchise, excise, corporate, estate, inheritance, succession, capital levy or transfer tax of Mortgagee or any interest, additions to tax or penalties in respect thereof.

(g) Change in Tax Law. In the event of the enactment of or change in (including, without limitation, a change in interpretation of) any applicable law (i) deducting or allowing Mortgagor to deduct from the value of the Premises for the purpose of taxation any lien or security interest thereon or (ii) subjecting Mortgagee to any tax or changing the basis of taxation of mortgages, deeds of trust, or other liens or debts secured thereby, or the manner of collection of such taxes, in each such case, so as to affect this Mortgage, the Indebtedness or Mortgagee, and the result is to increase the taxes imposed upon or the cost to Mortgagee of maintaining the Indebtedness, or to reduce the amount of any payments receivable hereunder, then, and in any such event, Mortgagor shall, on demand, pay to Mortgagee additional amounts to compensate for such increased costs or reduced amounts provided that if any such payment or reimbursement shall be unlawful or would constitute usury or render the Indebtedness wholly or partially usurious under applicable law, then Mortgagee may, at its option, declare the Indebtedness immediately due and payable or require Mortgagor to pay or reimburse Mortgagee for payment of the lawful and non-usurious portion thereof.

SECTION 2.08. Inspection. Subject to the rights of any tenants under any Tenant Leases, Mortgagor will allow Mortgagee or its authorized representatives, upon reasonable advance notice, to enter upon and inspect the Premises at all reasonable times and will assist Mortgagee or such representatives in effecting said inspection. Except in the case of an emergency, Mortgagee shall inspect the Premises only during normal business hours.

SECTION 2.09. Records and Reports. (a) Maintenance of Records. Mortgagor shall keep and maintain complete and accurate books and records in accordance with sound and generally accepted accounting principles with respect to all operations of or transactions involving the Premises. Copies of said books and records shall be made available by Mortgagor for inspection by Mortgagee, upon request of Mortgagee.

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(b) Rent Roll. In addition to any information required under any other Loan Document, within ninety (90) days of the end of each calendar year, Mortgagor shall deliver or cause to be delivered to Mortgagee a current rent roll showing the names of tenants, space occupied by each tenant, rent paid by such tenant (gross, per square foot and percentage rent), tenant's contribution (including but not limited to contributions for insurance, utilities, HVAC, parking, promotional fund, common area maintenance and taxes), lease security, if any, lease or occupancy expiration dates, options for renewal, rental during renewal terms, cancellation provisions, if any, and other information reasonably requested by Mortgagee. Such rent roll shall be certified by Mortgagor or its duly authorized agent. If Mortgagor shall have leased all or substantially all of the Premises to another, with the consent of Mortgagee, Mortgagor shall also deliver to Mortgagee, concurrently with the rent roll, financial statements covering the earnings and expenses in the latest fiscal year of the lessee under such lease.

(c) Financial Statements. Mortgagor shall furnish or cause to be furnished to Mortgagee, within ninety (90) days of the end of each calendar year, financial statements for Mortgagor, Plitt and Cineplex, each prepared in accordance with generally accepted accounting principles (consisting of a balance sheet and a statement of operations for such year), all in reasonable detail and stating in comparative form the figures as of the end of and for the previous calendar year, and certified as true and correct by Mortgagor and, in the case of the financial statements of Plitt and Cineplex, their respective financial officers.

(d) Tenants, Sales Reports. Mortgagor shall also furnish to Mortgagee as soon as available copies of all sales reports received by Mortgagor from any tenants leasing space in the Premises with respect to such tenant's sales activities if the corresponding Tenant Lease provides for the payment of rents determined in whole or part with reference, directly or indirectly, to tenant's sales activities or profits.

(e) Inspection of Records. Mortgagor will allow Mortgagee or its authorized representatives, upon five (5) days advance notice, to examine and make copies of all books and records relating to the Premises and all supporting data therefor, and for the reports provided by Mortgagor to Mortgagee under this Section 2.09, during normal business hours at Mortgagor's principal place of business.

(f) Mortgagor's Certification. Mortgagor shall cause to be submitted to Mortgagee, within ninety (90) days of the end of each calendar year, a certification given by the Mortgagor or its

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duly authorized agent to the effect that, as of the date of such certification, such Mortgagor or its agent has no knowledge of the existence of any Event of Default (as defined in Article VI) nor the existence of any event which, with notice or the passage of time or both, would constitute an Event of Default, or if Mortgagor or such agent has knowledge that any such Event of Default or event exists, specifying the nature and status thereof.

SECTION 2.10. Certificates. Mortgagor and Mortgagee, within ten (10) days after request of the other party therefor, shall furnish to such party a written statement, duly acknowledged, certifying to such party (and/or, any proposed assignee of this Mortgage) as to (a) the amount of the Indebtedness then owing under this Mortgage, (b) whether the Loan Documents have been modified (or, if modified, specifying such modification) and, to the best knowledge of the certifying party, whether there is any default under the Loan Documents (or specifying any defaults), (c) the terms of payment and maturity date of the Indebtedness, (d) the date to which interest has been paid under the Note and this Mortgage and (e) whether, to the best knowledge of the certifying party, any offsets or defenses exist against the Indebtedness and if any are alleged to exist, a detailed description thereof.

SECTION 2.11. Contracts Relating to the Premises. Mortgagor shall not execute any declaration of covenants, conditions or restrictions, management contract or other instrument or agreement affecting the Premises or any part thereof or any amendment or modification with respect to any of the foregoing (including without limitation any reciprocal easement agreement) without the prior approval of Mortgagee. Notwithstanding the foregoing, Mortgagor may, without the prior approval of Mortgagee, execute (a) any contract (with other than a related person or a person or entity controlling, controlled by or under common control with Mortgagor) relating to the construction of a tenant improvement at the Premises if the total cost of said improvement does not exceed Ten Thousand Dollars (\$10,000); and (b) any contract (with other than a related person or a person or entity controlling, controlled by or under common control with Mortgagor) for the service or maintenance of the Premises provided such contract is (i) made in the ordinary course of business and (ii) provides for reasonable rates or fees, considering the nature and quality of the services rendered, and provided further that, at the time such contract is made no Event of Default has occurred and is continuing.

SECTION 2.12. No Defaults. Mortgagor shall not permit any default by or with respect to Mortgagor to exist under the terms of any lease applicable to the Premises, any instrument evidencing or securing any financing for the Premises, or any other

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agreement affecting the Premises. Mortgagor further agrees to promptly furnish Mortgagee with copies of any notices of a default received or given by Mortgagor under any of the foregoing leases or any other instruments, contracts or agreements.

SECTION 2.13. Litigation and Other Notices. Mortgagor shall give Mortgagee prompt notice of the following:

(i) Any Event of Default (as defined in Section 6.01) and any event that, with the giving of notice, or the lapse of time or both, would constitute an Event of Default.

(ii) Levy of an attachment, execution or other process against the Premises or any of the Collateral.

(iii) The filing or commencement of any action, suit or proceeding by or before any court or any Federal, state, municipal or other governmental department, commission, instrumentality or agency which, if adversely determined against Mortgagor would materially impair the right of Mortgagor to perform its obligations hereunder or under any other Loan Document.

(iv) Any matter which has resulted in, or which reasonably may be expected to result in, a change in the business, properties, financial condition or operations of Mortgagor which would have a materially adverse effect on the ability of Mortgagor to perform its obligations hereunder or under any other Loan Document.

SECTION 2.14. Compliance with REA. Mortgagor shall at all times faithfully comply with and observe all of the terms, covenants, conditions and warranties made by or being obligations of Mortgagor under any REA and shall use its best efforts to cause the other parties, signatories and guarantors to any REA to faithfully fulfill and discharge all of their respective obligations thereunder. Mortgagor further covenants and agrees that it shall not waive, modify, amend or alter any of the terms, covenants or conditions of any REA nor cancel or surrender the same nor release or discharge any party, signatory or guarantor thereunder or affected thereby for or from any of the terms, provisions and covenants to be performed thereunder without in each instance first securing the express written consent of Mortgagee, all right by Mortgagor to otherwise waive, modify, amend, alter, cancel, or surrender any REA or release or discharge any party, signatory or guarantor thereof from any of their obligations thereunder being hereby relinquished by Mortgagor and assigned over to Mortgagee by Mortgagor. Mortgagor further covenants and agrees that it will not exercise its consent or approval, rights under any REA without first securing Mortgagee's express written consent

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where such consent or approval would materially affect in any manner any of Mortgagor's rights under any REA or Mortgagee's rights thereunder or hereunder. Mortgagor further covenants and agrees to promptly deliver to Mortgagee any notice, communication, demand, request, statement, approval or disapproval which it shall give or which it shall receive under any REA alleging a default by Mortgagor or any other party, signatory or guarantor of their respective obligations thereunder or that grounds exist for a termination of such party's operating covenant under any REA or which could give rise to a lien. It is also understood, covenanted and agreed by Mortgagor that the proportionate share of pro-rated costs and expenses and any other sums of money now or hereafter due and payable to Mortgagor under the terms of any REA are hereby assigned, transferred and set-over to Mortgagee as additional security hereunder upon condition, however, that such assignment shall become operative and effective only upon the occurrence and continuation of an Event of Default. Mortgagor further covenants and agrees not to sell, assign, transfer or pledge any sums of money so payable.

ARTICLE III

Tenant Leases and Assignment of Rents

SECTION 3.01. Assignment of Rents. Concurrently with the execution of this Mortgage, Mortgagor is executing an Assignment of Rents, Leases, Income and Profits (the "Assignment of Rents") pursuant to which Mortgagor is assigning to Mortgagee, as additional security for the Indebtedness, all of its right, title and interest in and to all Rents and Tenant Leases, subject to the terms and conditions contained therein. All leases affecting the Premises, including without limitation, leases currently in force, shall be subject and subordinate to the lien and provisions of this Mortgage.

SECTION 3.02. Tenant Leases. (a) Performance of Landlord's Obligations. Mortgagor will (i) perform or cause to be performed all of the landlord's material obligations under all Tenant Leases; (ii) enforce the performance by tenants of such of their material obligations as Mortgagor reasonably deems to be appropriate in connection with the management and operation of the Premises and as shall be consistent with then prevailing practices of owners of first-class properties comparable to the Premises; and (iii) give Mortgagee prompt notice and a copy of any notice of default, event of default, termination or cancellation sent or received by the landlord under any Tenant Lease.

(b) Additional Information. Mortgagor will, promptly upon Mortgagee's request from time to time, prepare and deliver to

Mortgagee such information concerning the Tenant Leases as Mortgagee shall reasonably specify.

(c) Execution of Tenant Leases. Except as set forth herein, Mortgagor shall not execute any Tenant Lease or any amendment or modification with respect thereto without Mortgagee's prior written approval, which approval may be withheld by Mortgagee in its absolute discretion for no reason or for any reason.

(d) Termination, Surrender or Assignment of Tenant Leases. Mortgagor shall not terminate or permit the termination of any Tenant Lease, accept the surrender of all or any portion of the space demised under any Tenant Lease prior to the end of the term thereof or accept or permit the assignment by the tenant of any Tenant Lease.

SECTION 3.03. No Merger. (a) Upon Vesting of Landlord's and Tenant's Estates. If both the landlord's and the tenant's interest under any Tenant Lease which constitutes a part of the Premises shall at any time become vested in any one person, the lien of this Mortgage and the Assignment of Rents, Leases, Income and Profits referred to in Section 3.01 shall not be destroyed or terminated by the application of the doctrine of merger and, in such event, Mortgagee shall continue to have and enjoy all of the rights and privileges of Mortgagee hereunder as to each separate estate.

(b) Upon Foreclosure. Upon the foreclosure of this Mortgage, any Tenant Leases then existing shall not be destroyed or terminated by application of the doctrine of merger or as a matter of law or as a result of such foreclosure unless Mortgagee or any purchaser at a foreclosure sale shall, subject to any subordination, non-disturbance and attornment agreement executed by Mortgagee, so elect by notice to the tenant in question. In the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee under each lease of all or any part of the Premises shall, at the option of the Mortgagee, attorn to any person succeeding to the interest of Mortgagor as a result of such enforcement and shall recognize each successor in interest as landlord under such lease without change in the terms or other provisions thereof, provided, however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance or any amendment or modification to any lease made without the prior consent of Mortgagee or said successor in interest. Each lessee, upon request by Mortgagee or any such successor in interest, shall execute and deliver an instrument or instruments confirming such attornment, and Mortgagor shall cause each such lease of all or any part of the Premises to contain a covenant of the lessee's part

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evidencing its agreement to such attornment.

ARTICLE IV

Additional Advances; Expenses; Indemnity

SECTION 4.01. Additional Advances and Disbursements.

Subject to Mortgagor's rights under Section 2.06(d), Mortgagor agrees that, if Mortgagor shall default, beyond any applicable grace period, if any, in any of its obligations hereunder to pay any amount or to perform any action, including, without limitation, its obligations under Section 2.07 to pay Impositions and under Section 2.03 to procure, maintain and pay premiums on the insurance policies referred to therein, then Mortgagee shall have the right, but not the obligation, in Mortgagor's name or in its own name, upon notice to Mortgagor, to advance all or any part of such amounts or to perform any or all such actions, and, for such purpose, Mortgagor expressly grants to Mortgagee the right, in addition and without prejudice to any other rights or remedies hereunder and subject to the rights of tenants under any non-disturbance agreements which Mortgagee may have entered into with such tenants, to enter upon (such entry, except in the case of an emergency, upon reasonable advance notice to Mortgagor) and take possession of the Premises to such extent and as often as Mortgagee may deem necessary or desirable to prevent or remedy any such Event of Default. No such advance or performance by Mortgagee shall be deemed to have cured such Event of Default by Mortgagor. All sums advanced and all expenses incurred by Mortgagee in connection with such advances or actions and all other sums advanced or expenses incurred by Mortgagee hereunder or under applicable law (whether required or optional and whether indemnified hereunder or not) shall be demand obligations owing by Mortgagor to Mortgagee and shall bear interest, from the date paid or incurred until paid, at an interest rate equal to the Default Rate (as defined in Section 6.08). All such amounts advanced or incurred, and all such interest thereon, shall be part of the Indebtedness and shall be secured by this Mortgage. Mortgagee, upon making any such advance, shall be subrogated to all of the rights of the person receiving such advance.

SECTION 4.02. Other Expenses.

(a) Mortgagor will pay or, within fifteen (15) days after demand, reimburse Mortgagee for the payment of, all appraisal fees, engineering fees, recording and filing fees, taxes (except as otherwise provided in Section 2.07), brokerage fees and commissions, abstract fees, title insurance premiums and fees, survey costs, Uniform Commercial Code search fees, escrow fees, trustee's fees, attorneys fees and disbursements and all other costs and expenses of every character incurred by Mortgagee in connection with the closing of the

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transactions contemplated hereunder or under the other Loan Documents, or otherwise attributed or chargeable to Mortgagor as owner of the Premises. Each party represents and warrants to the other that it has dealt with no brokers, agents or finders in connection with the transactions contemplated by this Mortgage and the other Loan Documents. Each party hereby agrees to indemnify, defend and hold the other party harmless against any and all loss, damage, claim, commission or expense of any nature whatsoever (including without limitation reasonable attorneys fees and disbursements) arising out of any claim by any broker, agent or finder that he acted on behalf of the indemnifying party in connection with this transaction. In addition, Mortgagor hereby agrees to indemnify, defend and hold Mortgagee harmless against any and all loss, damage or expense of any nature whatsoever (including without limitation reasonable attorneys fees and disbursements) arising out of any claim for payment of any commissions related to executed Tenant Leases.

(b) Mortgagor will pay or, within fifteen (15) days after demand, reimburse Mortgagee for the payment of, any reasonable costs or expenses (including reasonable attorneys fees and disbursements, whether such fees and disbursements are incurred prior to the institution of legal proceedings or thereafter and whether at the trial or appellate level, in pre and post-judgment proceedings, in bankruptcy or otherwise) incurred or expended in connection with or incidental to (i) any default or Event of Default by Mortgagor hereunder or (ii) the exercise or enforcement by or on behalf of Mortgagee of any of Mortgagee's rights or remedies or Mortgagor's obligations under this Mortgage, the Note or any other Loan Document, including the enforcement, compromise or settlement of this Mortgage or the Indebtedness or the defense or assertion of the rights and claims of Mortgagee hereunder in respect thereof, by litigation or otherwise.

SECTION 4.03. Indemnity. (a) Mortgagor agrees to indemnify and hold harmless Mortgagee from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses (including reasonable attorneys fees and disbursements) which may be imposed on, incurred by or asserted against Mortgagee by reason or on account of, or in connection with (i) any default or Event of Default by Mortgagor hereunder or under the Note or any other Loan Document, (ii) Mortgagee's exercise of any of its rights and remedies, or the performance of any of its duties, hereunder or under the Note or any other Loan Document, (iii) construction, reconstruction or alteration of the Improvements, (iv) any negligence or willful misconduct of Mortgagor, any lessee of the Premises, or any of their respective agents, contractors, subcontractors, servants, employees, licensees or invitees, (v) any

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accident, injury, death or damage to any person or property occurring in, on or about the Premises or any street, drive, sidewalk, curb or passageway adjacent thereto or (vi) any other transaction arising out of or in any way connected with the Premises, this Mortgage, the Note or any other Loan Document, except if caused by the act or omission of the indemnified person. Any amount payable to Mortgagee under this Section 4.03 shall be payable within fifteen (15) days after Mortgagee's demand therefor, shall be part of the Indebtedness and shall be secured by this Mortgage; provided that Mortgagor shall have no obligation to indemnify Mortgagee in the case of any action or proceeding brought by Mortgagee against Mortgagor if Mortgagor prevails in such action or proceeding.

(b) Mortgagor's obligations under this Section 4.03 shall not be affected by the absence or unavailability of insurance covering the same or by the failure or refusal by any insurance carrier to perform any obligation on its part under any such policy of insurance. If any claim, action or proceeding is made or brought against Mortgagee which is subject to the indemnity set forth in this Section 4.03, Mortgagor shall resist or defend against the same, if necessary in the name of Mortgagee, by attorneys for Mortgagor's insurance carrier (if the same is covered by insurance) or otherwise by attorneys designated by Mortgagor and approved by Mortgagee, such approval not to be unreasonably withheld. Notwithstanding the foregoing, Mortgagee, in Mortgagee's discretion, may, upon the happening of any Event of Default hereunder, including, without limitation, Mortgagor's failure to carry out its obligations under this Section, engage its own attorneys to resist or defend, or assist therein, and Mortgagor shall pay, or, within fifteen (15) days after demand, reimburse Mortgagee for the payment of, the fees and disbursements of said attorneys.

ARTICLE V

Sale or Transfer of the Land, the Improvements or the Equipment or Interests in Mortgagor

SECTION 5.01. Continuous Ownership. Mortgagor acknowledges that the continued ownership of the Land, the Improvements and the Equipment by Mortgagor is of a material nature to the transaction and Mortgagee's agreement to create the Indebtedness. Mortgagor agrees that, except as expressly provided in Section 6.01(i), below, Mortgagor will not sell, grant, convey, assign, grant an option, lease or otherwise transfer or mortgage, hypothecate, pledge or otherwise encumber (collectively, "Transfers"), or permit to be Transferred, the Land, the

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Improvements or the Equipment or any portion thereof, or any legal, beneficial or equitable interest therein, or any right to receive income in respect thereof, by operation of law or otherwise. If Beneficiary shall create, effect or consent to, or suffer or permit, any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of Beneficiary's beneficial interest in Trust, a prohibited Transfer shall be deemed to have occurred. The provisions of this Section shall apply to each and every Transfer of all or any portion of the Land, the Improvements or the Equipment or any legal, beneficial or equitable interest therein, regardless of whether or not Mortgagee has consented to, or waived by its action or inaction, its rights hereunder with respect to any previous Transfer of all or any portion of the Land, the Improvements or the Equipment or any legal, beneficial or equitable interest therein. Except as otherwise provided in Section 6.01(i), below, in the event that Mortgagor shall transfer the Land, the Improvements, the Equipment, or any portion thereof, or any legal, beneficial or equitable interest therein, or any right to receive income in respect thereof, Mortgagee may elect to declare the Indebtedness, together with any other sums secured hereby, immediately due and payable, which amounts shall be due and payable with prepayment premium set forth in the Note. Mortgagee may withhold its consent to any proposed Transfer for no reason or for any reason, including, without limitation, the failure of the prospective transferee of the Land, the Improvements or the Equipment to reach an agreement in writing with Mortgagee increasing the interest payable on the Indebtedness to such rate as Mortgagee shall request. For purposes of this Section 5.01, "Equipment" shall not include any Equipment which is replaced in accordance with, or not required to be replaced by the terms of, Section 2.02(b).

SECTION 5.02. THIS SECTION HAS BEEN INTENTIONALLY OMITTED.

SECTION 5.03. THIS SECTION HAS BEEN INTENTIONALLY OMITTED.

SECTION 5.04. Management. Mortgagor shall be responsible for providing or causing to be provided all services necessary, proper, desirable and appropriate for the successful leasing, operating and management of the Premises as a legitimate motion picture theatre, and shall perform or cause such management services to be performed as hereinafter set forth (the person performing such services being herein called in such capacity, the "Manager"). For so long as the Note is outstanding or any portion of the Indebtedness remains due and unpaid, Mortgagor shall perform the services of Manager, without compensation. If an Event of Default shall have occurred, Mortgagee shall have the right to

select a new Manager, without the consent of Mortgagor.

SECTION 5.05. Release. Mortgagee shall be entitled, in its sole discretion, to release any portion of the Premises for such consideration as Mortgagee may require without, as to the remainder of the Premises, in any way impairing or affecting the lien or priority of this Mortgage or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Indebtedness shall have been reduced by the actual monetary consideration, if any, received by Mortgagee for such release, and Mortgagee may accept by assignment, pledge or otherwise any other property in place thereof as Mortgagee may require without being accountable for so doing to any other lienor.

ARTICLE VI

Defaults and Remedies

SECTION 6.01. Events of Default. The term "Event of Default", as used in this Mortgage, shall mean the occurrence of any of the following events:

(a) Any representation or warranty made by Mortgagor in or in connection with this Mortgage or the other Loan Documents, or the Loan Commitment, or the borrowings hereunder or thereunder or any statement or representation made in any schedule, financial statement, document or other instrument furnished by Mortgagor to Mortgagee in connection with the Loan shall prove to have been false or misleading in any material respect when made or delivered or when deemed made in accordance with the terms of the applicable Loan Document, and the damage sustained by Mortgagee by reason of such misrepresentation or breach of warranty is not cured to Mortgagee's satisfaction within fifteen (15) days after Mortgagee gives Mortgagor written notice thereof.

(b) Any default in the payment of the principal on the Note when and as of the time the same becomes due and payable, whether at the maturity or due date thereof or by acceleration thereof or otherwise, and the failure to cure such default within fifteen (15) days after said due date.

(c) Any default in the payment of (i) the interest on the Note or (ii) any other fee or amount payable (including any late payment penalty) under this Mortgage or any other Loan Document, when and as of the time the same becomes due and payable, whether at the maturity or due date thereof or by acceleration thereof or otherwise, which default continues for fifteen (15) days after said due date.

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(d) Any default in the due observance or performance of any covenant on the part of or to be performed by Mortgagor pursuant to Section 2.07 hereof, and such default shall have continued for a period of fifteen (15) days after written notice specifying such default shall have been given to Mortgagor by Mortgagee.

(e) Any default in the due observance or performance of any term, covenant or condition on the part of or to be performed by Mortgagor pursuant to any Loan Document, other than as referred to in paragraphs (a), (b), (c) and (d) above and paragraphs (f), (g), (h), (i), (j), (k), (l) and (m) below, and such default shall have continued for a period of fifteen (15) days after written notice specifying such default shall have been given to Mortgagor by Mortgagee or, if such default cannot be cured solely by the payment of money and cannot with reasonable diligence be cured within fifteen (15) days after notice, then it shall be an Event of Default only if Mortgagor has failed to commence to cure such default within such fifteen (15) day period, or thereafter fails to diligently continue to attempt to cure the same, or if the default shall be continuing for more than sixty (60) days after written notice aforesaid.

(f) Mortgagor shall (i) voluntarily commence any case or proceeding under any Federal or state bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely appropriate manner, any such case or proceeding, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for Mortgagor, or for a substantial part of its property, (iv) file an answer admitting the material allegations of a complaint filed against it in any such case or proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable or admit in writing the inability, or fail generally to pay its debts as they become due or (vii) take action for the purpose of effecting any of the foregoing.

(g) An involuntary case or proceeding shall be commenced seeking (i) relief in respect of Mortgagor or of a substantial part of its property under any Federal or state bankruptcy, insolvency or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for Mortgagor or a substantial part of its property or (iii) the winding-up or liquidation of Mortgagor which shall not be dismissed within thirty (30) days after the same shall have been commenced.

(h) Any material default by Mortgagor under or with respect to any REA, Tenant Lease or any agreement or instrument which constitutes or evidences a Permitted Exception, and which

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default is not cured within the time period provided in such document.

(i) Except as permitted herein (including Section 9.15(b), below) or in any other Loan Document, the Premises, or any portion thereof, or any legal, beneficial or equitable interest therein, shall be Transferred (including by way of security for any extension of credit). Any direct or indirect change in the ownership of the capital or profits interests of Beneficiary, including by way of the admission of additional partners to Beneficiary or the redemption of interests in Beneficiary, or any direct or indirect change in the ownership of the corporate general partner of Beneficiary shall constitute an Event of Default. Notwithstanding the foregoing, a limited partner of Beneficiary may Transfer his interest in Beneficiary (and/or his stock in the corporate general partner of Beneficiary) to: (i) his spouse or his children; (ii) a trust for the benefit of himself, his spouse and/or his children; (iii) in the case of Bill Anest, to Peter Anest and in the case of Peter Anest to Bill Anest; or (iv) an entity all of the interests in which are owned legally and beneficially by any person or entity described in (i), (ii) or (iii), above (collectively, the "Permitted Transferees"); provided, however, that (A) there shall be no further Transfer by a Permitted Transferee without the consent of Mortgagee; (B) Mortgagee shall be reimbursed for all costs and expenses (including reasonable attorney's fees) incurred by Mortgagee; (C) the Transfer is documented in form and substance reasonably satisfactory to Mortgagee; and (D) the Transfer does not in any other way result in a material increase in Mortgagee's risks attendant to the Loan.

(j) The abandonment by Mortgagor of the Premises.

(k) Unless there shall be a judicial stay of enforcement in effect with respect thereto, the Premises shall be taken (other than as contemplated by Section 2.05), attached or sequestered on execution or other process of law in any action against Mortgagor.

(l) Mortgagor shall fail at any time to obtain, provide, maintain or keep in force the insurance policies required by Section 2.03 hereof or shall fail, for a period of fifteen (15) days after notice thereof, at any time to deliver to Mortgagee the insurance policies or certificates required by Section 2.03 hereof.

(m) Any claim of priority (except a claim based upon a Permitted Encumbrance) to this Mortgage or any other document or instrument securing the Indebtedness by title, lien or otherwise shall be consented to by Mortgagor or shall be upheld by any court of competent jurisdiction unless Mortgagor shall have appealed the same and, pending any such appeal, there shall be in effect a stay

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of any action to enforce such claim of priority.

(n) A "Contract Default." A "Contract Default" shall mean (i) the cancellation, termination or other cessation of rights or rights of use with respect to any Contract prior to the maturity date of the Note; (ii) the occurrence of a default by any party to a Contract and the same shall be continuing beyond any applicable grace or cure period therein set forth; (iii) the making of any amendment, change or other modification to a Contract without the written consent of Mortgagee; (iv) the making of any sublease, assignment or other Transfer of a Contract by any party thereto; (v) the abandonment of the Premises by Plitt or the failure by Plitt to regularly and continually operate the Premises as a legitimate first-class motion picture theatre complex (whether or not such abandonment or failure shall constitute an event of default under the Plitt Lease); (vi) the occurrence with respect to any party to a Contract (other than Mortgagor) of any event or circumstance described in subparagraphs (f) or (g), above.

SECTION 6.02. Remedies. If an Event of Default occurs and is continuing, Mortgagee may, in addition to any rights or remedies available to it under any of the Loan Documents, take such action, personally or by its agents or attorneys, and without notice, demand, presentment or protest (each and all of which are hereby waived by Mortgagor), as it deems necessary or advisable to protect and enforce its rights and remedies against Mortgagor and in and to the Premises, including without limitation the following actions, each of which, to the extent permitted by applicable law, may be pursued concurrently or otherwise, at such time and in such order as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting its other rights or remedies:

(a) Declare the entire balance of the Indebtedness (including the entire principal balance thereof, all accrued and unpaid interest, prepayment premiums and all other sums secured hereby) to be immediately due and payable, and upon any such declaration the entire unpaid balance of the Indebtedness shall become and be immediately due and payable.

(b) Institute a proceeding or proceedings for the complete foreclosure of this Mortgage under any applicable provision of law.

(c) Under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, sell the Premises, and all estate, right, title, interest, claim and demand of Mortgagor therein, and all rights of redemption (after sale) thereof, at one or more sales, as an entirety or in parcels, with such elements of real and/or personal property (and, to the extent permitted by

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applicable law, may elect to deem all of the Premises to be real property for purposes thereof), and at such time or place and upon such terms as Mortgagee may deem expedient, or as may be required by applicable law.

(d) Apply for the appointment of a receiver, custodian, trustee, liquidator or conservator of the Premises, to be invested with the fullest powers permitted under applicable law, as a matter of right and without regard to or the necessity to disprove the adequacy of the security of the Indebtedness or the solvency of Mortgagor or any other person liable for the payment of the Indebtedness, and Mortgagor and each other person so liable waives or shall be deemed to have waived such necessity and consents or shall be deemed to have consented to such appointment.

(e) Subject to the provisions and restrictions of any applicable law and after a judicial order or decree directing or permitting Mortgagee to take any such action and subject to the rights of any tenants pursuant to non-disturbance agreements into which Mortgagee has entered, enter upon the Premises, and exclude Mortgagor and its agents and servants wholly therefrom, without liability for trespass, damages or otherwise, and take possession of all books, records and accounts relating thereto, and Mortgagor agrees to surrender possession of the Premises and of such books, records and accounts to Mortgagee on demand if any Event of Default shall have occurred and be continuing; and having and holding the same may use, operate, manage, preserve, control and otherwise deal therewith and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers, without interference from Mortgagor; and upon each such entry and from time to time thereafter may, at the expense of Mortgagor and the Premises, without interference by Mortgagor and as Mortgagee may deem advisable, (i) maintain and restore the Premises, (ii) insure or reinsure the same, (iii) make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments and improvements thereto and thereon, (iv) complete the construction of the Improvements and, in the course of such completion, may make such changes in the contemplated or completed Improvements as it may deem advisable, (v) in every such case in connection with the foregoing have the right to exercise all rights and powers of Mortgagor with respect to the Premises, either in Mortgagor's name or otherwise, including the right to make, cancel, enforce or modify Tenant Leases and subleases, obtain and evict tenants and subtenants on such terms as Mortgagee shall deem advisable and to take any actions described in subsection (f) of this Section.

(f) Subject to the provisions and restrictions of any applicable law, Mortgagee may, with or without the entrance upon or

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taking possession of the Premises, collect, receive, sue for and recover in its own name all Rents and cash collateral derived from the Premises, and after deducting therefrom all costs, expenses and liabilities of every character incurred by Mortgagee in collecting the same and in using, operating, managing, preserving and controlling the Premises, and otherwise in exercising Mortgagee's rights under subsection (e) of this Section, including all amounts necessary to pay Impositions, insurance premiums and other charges in connection with the Premises, as well as compensation for the services of Mortgagee and its respective attorneys, agents and employees, apply the remainder as provided in Section 6.05.

(g) Take all actions permitted under the Uniform Commercial Code of the State of Illinois.

(h) Terminate the employment of any Manager of the Premises.

(i) Take any other action, or pursue any other right or remedy, as Mortgagee may have under applicable law, and Mortgagor does hereby grant the same to Mortgagee.

In the event that Mortgagee exercises any of the rights or remedies set forth in subsections (e) and (f) of this Section, Mortgagee shall not be deemed to have entered upon or taken possession of the Premises except upon the exercise of its option to do so, evidenced by its demand and overt act for such purpose, nor shall it be deemed a mortgagee in possession by reason of such entry or taking possession. Mortgagee shall not be liable to account for any action taken pursuant to any such exercise other than for Rents and other amounts actually received by it, nor liable for any loss sustained by Mortgagor resulting from any failure to let the Premises, or from any other act or omission of Mortgagee in connection therewith except to the extent such loss is caused by the gross negligence, willful misconduct or bad faith of Mortgagee. Mortgagor hereby consents to, ratifies and confirms the exercise by Mortgagee of said rights and remedies, and appoints Mortgagee as its attorney-in-fact, which appointment shall be deemed to be coupled with an interest and is irrevocable, for such purposes.

SECTION 6.03. Expenses. In any suit to foreclose this Mortgage or enforce any other remedy of Mortgagee hereunder or under any other Loan Document, there shall be allowed and included as an addition to and a part of the Indebtedness in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred in connection with the exercise by Mortgagee of any of its rights and remedies provided or referred to in this Mortgage (including reasonable attorneys fees and

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disbursements), together with interest thereon at the Default Rate and the same shall be part of the Indebtedness and shall be secured by this Mortgage.

SECTION 6.04. Rights Pertaining to Sales. Subject to applicable requirements of law, the following provisions shall apply to any sale or sales of all or any portion of the Premises under or by virtue of this Article VI, made under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale:

(a) Mortgagee may conduct any number of sales from time to time. The right to sell pursuant to this Section 6.04 shall not be exhausted by any one or more such sales as to any part of the Premises which shall not have been sold, nor by any sale which, is not completed or is defective in Mortgagee's opinion, until the Indebtedness shall have been paid in full.

(b) Any sale may be postponed or adjourned by public announcement at the time and place appointed for such sale or for such postponed or adjourned sale without further notice.

(c) After each sale, Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the purchaser or purchasers at such sale a good and sufficient instrument or instruments granting, conveying, assigning and transferring all right, title and interest of Mortgagor in and to the property and rights sold and shall receive the proceeds of said sale or sales and apply the same as herein provided. Mortgagee is hereby appointed the true and lawful attorney-in-fact of Mortgagor, which appointment is irrevocable and shall be deemed, to be coupled with an interest, in Mortgagor's name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the property and rights so sold, and for that purpose Mortgagee may execute all necessary instruments of conveyance, assignment, transfer and delivery, and may substitute one or more persons with like power, Mortgagor hereby ratifying and confirming all that said attorney or such substitute or substitutes shall lawfully do by virtue thereof. Nevertheless Mortgagor, if requested by Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to Mortgagee or such purchaser or purchasers, all such instruments as may be advisable, in Mortgagee's judgment, for the purposes as may be designated in such request.

(d) Any and all statements of fact or other recitals made in any of the instruments referred to in subsection (c) of this Section given by Mortgagee as to nonpayment of the Indebtedness, or as to the occurrence of any Event of Default, or

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as to Mortgagee having declared all or any of the Indebtedness to be due and payable, or as to the request to sell, or as to notice of time, place and terms of sale and of the property or rights to be sold having been duly given, or as to any other act or thing having been duly done by Mortgagee, may be relied upon by third parties as prima facie evidence of the truth of the facts so stated and recited. Mortgagee may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale so held, including the posting of notices and the conduct of sale, but in the name and on behalf of Mortgagee.

(e) The receipt of Mortgagee for the purchase money paid at any such sale, or the receipt of any other person authorized to receive the same, shall be sufficient discharge therefor to any purchaser of any property or rights sold as aforesaid, and no such purchaser, or its representatives, grantees or assigns, after paying such purchase price and receiving such receipt, shall be bound to see to the application of such purchase price or any part thereof upon or for any trust or purpose of this Mortgage or, in any manner whatsoever, be answerable for any loss, misapplication or non-application of any such purchase money, or part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

(f) Any such sale or sales shall operate to divest all of the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law or in equity against Mortgagor and any and all persons claiming or who may claim the same, or any part thereof, by, through or under Mortgagor to the fullest extent permitted by applicable law.

(g) Upon any such sale or sales, Mortgagee may bid for and acquire the Premises and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting against the Indebtedness the amount of the bid made therefor, after deducting therefrom the expenses of the sale, the cost of any enforcement proceeding hereunder and any other sums which Mortgagee is authorized to deduct under the terms hereof, to the extent necessary to satisfy such bid.

(h) In the event that Mortgagor, or any person claiming by, through or under Mortgagor, shall transfer or refuse or fail to surrender possession of the Premises after any sale thereof, then Mortgagor or such person shall be deemed a tenant at sufferance of the purchaser at such sale, subject to eviction by means of forcible entry and detainer proceedings, or subject to any other right or remedy available hereunder or under applicable law.

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