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Recording at the Request
of and when Recorded
Mail Original to:

96428486

Latham & Watkins
5800 Sears Tower
Chicago, Illinois 60606
Attn: David K. Rathgeber

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DEPT-01 RECORDING \$53.50
 140003 FRAN 9538 06/05/96 15:40:00
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 COOK COUNTY RECORDER

FIRST MORTGAGE AND ASSIGNMENT OF RENTS, LEASES AND LEASEHOLD INTERESTS

THIS FIRST MORTGAGE AND ASSIGNMENT OF RENTS, LEASES AND LEASEHOLD INTERESTS (the "Mortgage") is made and entered into as of June 3, 1996 by LASALLE NATIONAL TRUST, N.A. ("Trustee"), not personally, but as trustee under that certain Trust Agreement dated June 24, 1986 (the "Trust Agreement"), and known as Trust No. 109946 (the "Trust") and FRETTER, INC. (the "Borrower"; together with the Trustee sometimes hereinafter called "Mortgagor"), in favor of BT COMMERCIAL CORPORATION, as agent ("Mortgagee") for the Lenders and the Issuing Bank referred to in (and as defined in) the Credit Agreement (as defined below).

Recitals

A. Borrower is a party to that certain Credit Agreement dated as of November 30, 1993, by and among Borrower, the Lenders (as defined therein), and Mortgagee, as Agent (as defined therein) (as the same has been and may hereafter be modified, amended, extended, restated or supplemented from time to time, the "Credit Agreement"), under which Borrower may borrow revolving loans and be afforded certain other financial accommodations. Unless otherwise defined, capitalized terms are used in this Mortgage as they are defined in the Credit Agreement.

This Instrument Was Prepared By:

David K. Rathgeber, Esq.
 Latham & Watkins
 5800 Sears Tower
 Chicago, Illinois 60606

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B. The Credit Agreement requires that the obligations of Borrower under the Credit Agreement be secured by liens and security interests covering certain property of Borrower. In connection therewith, the Lenders have required that Mortgagor execute and deliver this Mortgage.

C. The maximum principal amount of the Obligations that this Mortgage secures is \$10,000,000.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Mortgagor agrees as follows:

ARTICLE I - GRANT OF MORTGAGE

1.01 Grant of Mortgage. Mortgagor does hereby mortgage, pledge, assign, bargain, hypothecate, convey, grant, transfer, ~~warrant~~ and set over unto Mortgagee all of Mortgagor's right, title and interest in and to all of the following property (collectively, the "Mortgaged Property"):

(a) the property described in Exhibit "A" attached hereto and by this reference incorporated herein, including, without limitation, all air rights with respect thereto (the "Land");

(b) any and all buildings and all other improvements now on, or hereafter constructed on, the Land;

(c) any and all lands, fixtures, structures, improvements, tenements and hereditaments of whatever kind or description and wherever situated, now owned by, or at any time hereafter acquired by or for, Mortgagor and contiguous or appurtenant to the Land, and all other things of whatsoever kind and in any way or at any time appurtenant to any of the other Mortgaged Property;

(d) any and all leases and leasehold rights now held or hereafter acquired by Mortgagor for use in connection with or belonging or appertaining to any of Mortgagor's real property now or hereafter subject to the lien of this Mortgage;

(e) any and all additions, betterments and improvements hereafter acquired or constructed upon the Land or any other real property now or at any time hereafter subject to the lien of this Mortgage; and

(f) any and all rights, powers, franchises, privileges, immunities, permits and licenses now or hereafter owned or possessed by Mortgagor that now or at any time hereafter may be necessary for, or appurtenant to, the use, operation, management, maintenance, renewal, alteration or improvement of any of the other Mortgaged Property.

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lien of this Mortgage as fully and completely and with the same effect as though now owned by Mortgagor and specifically described herein, without need for the delivery and/or recording of a supplement to this Mortgage or any other instrument; but nevertheless Mortgagor shall from time to time, if requested by Mortgagee, execute and deliver any and all such further assurances, conveyances and assignments thereof as Mortgagee may reasonably require for the purpose of expressly and specifically subjecting to the lien of this Mortgage any and all such property or interest.

ARTICLE II - COVENANTS CONCERNING THE MORTGAGED PROPERTY

2.01 Taxes and Governmental Impositions.

(a) Payment. Mortgagor will pay, or cause to be paid, promptly, when and as due, and, upon written request from Mortgagee, will promptly exhibit to Mortgagee receipts for the payment of, all taxes, assessments, charges, fees, fines and impositions of every nature whatsoever charged, imposed, levied or assessed or to be charged, imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon the interest of Mortgagee in the Mortgaged Property, as well as all income taxes, assessments and other governmental charges lawfully levied and imposed by the United States or any state, county, municipality or other taxing authority in respect of the Mortgaged Property or any part thereof or any charge that, if unpaid, would or could become a lien or charge upon the Mortgaged Property, or any part thereof.

(b) Contests. The foregoing to the contrary notwithstanding, Mortgagor may contest such taxes, assessments, fees and other charges in accordance with the provisions of the Credit Agreement.

2.02 [Intentionally Omitted]

2.03 Utilities. Mortgagor will pay, or cause to be paid, when due any charges for utilities, whether public or private, with respect to the Mortgaged Property or any part thereof.

2.04 Insurance. Mortgagor will obtain and maintain insurance with respect to the Mortgaged Property in accordance with the provisions of the Credit Agreement. In case of any loss or damage to the Mortgaged Property, Mortgagor shall deliver or apply the proceeds of such insurance in accordance with the provisions of the Credit Agreement. From and after the entry of judgment of foreclosure, all rights and powers of Mortgagee and/or Lenders to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds shall continue in Mortgagee and/or Lenders as judgment creditor or mortgagee until confirmation of sale.

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2.05 Condemnation. If all or any part of the Mortgaged Property shall be damaged, diminished in value or taken through condemnation proceedings, or if a consent settlement is entered or a transfer is made under threat of such proceedings, either temporarily or permanently, then any and all compensation, awards and other payments or relief therefor to which Mortgagor is entitled shall be applied in accordance with the provisions of the Credit Agreement.

2.06 Care of the Mortgaged Property.

(a) Preservation and Maintenance. Mortgagor will preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition, making or causing to be made from time to time all needful or proper replacements, repairs and renewals. Mortgagor will not leave the Mortgaged Property unprotected or unguarded. Mortgagor will not do or suffer to be done anything that will materially increase the risk of fire or other hazard to the Mortgaged Property or any part thereof or take or omit to take any action (other than in the ordinary course of Mortgagor's business) that will cause an increase in Mortgagee's fire insurance premiums.

(b) No Change. Mortgagor will not materially change the nature of use of the Mortgaged Property without Mortgagee's prior written consent.

(c) Notice of Damage. If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will give prompt written notice thereof to Mortgagee.

(d) Right to Inspect. Mortgagee or its representative is hereby authorized, with reasonable advance notice to Mortgagor, to enter upon and inspect the Mortgaged Property at any time during normal business hours.

(e) Repair and Replacement. If all or any part of the Mortgaged Property shall be damaged by fire or other casualty or condemnation, Mortgagor will promptly restore the Mortgaged Property to the equivalent of its condition immediately before the occurrence of such casualty or condemnation, regardless of whether or not there shall be any insurance proceeds therefor and whether or not the same are made available by Mortgagee for such purpose.

ARTICLE III - ASSIGNMENT OF RENTS

3.01 Assignment of Rents and Leases. As additional consideration for the Obligations, Mortgagor hereby absolutely assigns and transfers to Mortgagee the following:

(a) all leases or subleases (if any) written or oral, now in existence or hereafter arising and all agreements for the

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use and occupancy of all or any portion of the Mortgaged Property (the "Leases");

(b) any and all guaranties of the obligations of the tenants (the "Tenants") under any of such Leases; and

(c) the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues and profits now due or that may become due or to which Mortgagor may now or shall hereafter (whether during any applicable period of redemption, or otherwise) become entitled or may demand or claim, arising or issuing from or out of the Leases, or from or out of the Mortgaged Property or any part thereof (collectively, the "Rents").

3.02 Mortgagor's Limited License. Provided that no Default or Event of Default has occurred and is continuing, Mortgagor shall have the right under a license granted hereby and Mortgagee hereby grants to Mortgagor a license to collect, but not more than one month in advance, all of the Rents arising from or out of the Leases or any renewals or extensions thereof, or from or out of the Mortgaged Property or any part thereof, but only as trustee for the benefit of Mortgagee. Mortgagor shall apply the Rents so collected first to payment of any and all amounts due and payable under the Credit Agreement. Thereafter, so long as no Default or Event of Default has occurred and is continuing, Mortgagor may use the Rents in any manner not inconsistent with the Credit Agreement. The license granted hereby may be revoked at the option of the Mortgagee upon the occurrence of a Default or Event of Default.

3.03 Limitation. The acceptance by Mortgagee of the assignment provided in this Article III, together with all of the rights, powers, privileges and authority created in this Article III or elsewhere in this Mortgage, shall not, prior to entry upon and taking possession of the Mortgaged Property by Mortgagee, be deemed or construed to constitute Mortgagee a "mortgagee in possession" nor thereafter or at any time or in any event obligate Mortgagee to appear in or defend any action or proceeding relating to the Leases, the Rents or the Mortgaged Property or to take any action hereunder or to expend any money or incur any expenses or perform or discharge any obligation or responsibility for any security deposits or other deposits delivered to Mortgagor by any Tenant and not assigned and delivered to Mortgagee, nor shall Mortgagee be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Mortgaged Property.

ARTICLE IV - DEFAULTS AND REMEDIES

4.01 Events of Default. Each of the following shall constitute an Event of Default:

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(a) Credit Agreement. The occurrence of any Event of Default under the Credit Agreement or any other Credit Document, which are incorporated herein by this reference.

(b) Other Defaults. The failure of Mortgagor to perform in any material respect any covenant or agreement hereunder if such failure (i) would not, with the giving of notice or the lapse of time or both, constitute an Event of Default under any other provision of this Section 4.01 and (ii) is not cured within 30 days after such failure occurs.

4.02 Performance of Defaulted Acts. From and after the occurrence of an Event of Default, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, including, without limitation, making full or partial payments of principal or interest on prior encumbrances, if any, and purchasing, discharging, compromising or settling any tax lien or other prior lien or title or claim thereof, or redeeming from any tax sale or forfeiture affecting the Mortgaged Property or contesting any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, shall be so much additional indebtedness and shall become immediately due and payable without notice. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it hereunder on account of any default on the part of Mortgagor. Mortgagee, in making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

4.03 Foreclosure. When the Obligations shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses that may be paid or incurred by or on behalf of Mortgagee for court costs, fees of masters in chancery, attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to the holder at any sale that may be had pursuant to such decree the true conditions of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature mentioned in this Section 4.03 shall become additional Obligations and shall be immediately due and payable, with interest thereon at the rate applicable under the Credit Agreement from and after an Event of Default from and after the date when paid or incurred by Mortgagee

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in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any Obligations; or (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any threatened suit or proceedings that might affect the Mortgaged Property, whether or not actually commenced.

4.04 Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order or priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 4.03 hereof; second, all other items that under the terms hereof constitute Obligations in accordance with the Credit Agreement; and third, any excess to Mortgagor, its successors and assigns, as their rights may appear.

4.05 Possession. Upon the occurrence of an Event of Default, Mortgagee shall, at its option, have the right, acting through its agents or attorneys, to enter upon and take possession of the Mortgaged Property, expel and remove any persons, goods, or chattels, occupying or upon the same, and to collect or receive all the rents, issues and profits thereof, and to manage and control the same, and to lease the same or any part thereof from time to time, and, after deducting all reasonable attorney's fees, and all reasonable expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, apply the remaining net income upon the Obligations or upon any deficiency decree entered in any foreclosure proceedings.

4.06 Appointment of Receiver. Upon the occurrence of an Event of Default, Mortgagee shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Illinois Mortgage Foreclosure Law (the "Foreclosure Law"), to be placed in possession of the Mortgaged Property or at its request to have a receiver appointed, and such receiver, or Mortgagee, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities, and duties as provided for in Sections 15-1701 and 15-1703 of the Foreclosure Law.

4.07 Rights Cumulative. No remedy or right of Mortgagee shall be exclusive of, but each such remedy or right shall be in addition to, every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise or omission to exercise of any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or an acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee. Mortgagor agrees that, without affecting the liability

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of any person for payment of the Obligations or affecting the lien of this Mortgage upon the Mortgaged Property or any part thereof, Mortgagee may at any time and from time to time, on request of Mortgagor, without notice to any person liable for payment of any Obligations, extend the time or agree to alter the terms of payment of such indebtedness. Acceptance by Mortgagee of any payment in an amount less than the amount then due on the Obligations shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall continue to be an Event of Default. At any time thereafter and until the entire amount then due on the debt has been paid, Mortgagee shall be entitled to exercise all rights conferred upon it in this Mortgage upon the occurrence of an Event of Default.

14.08 Protective Advances. All advances, disbursements and expenditures made or incurred by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Foreclosure Law (collectively "Protective Advances"), shall have the benefit of all applicable provisions of the Foreclosure Law:

(a) all advances by Mortgagee in accordance with the terms of this Mortgage to: (i) preserve, maintain, repair, restore or rebuild the improvements upon the Mortgaged Property; (ii) preserve the lien of this Mortgage or the priority hereof; or (iii) enforce this Mortgage, as referred to in Section 15-1302(b)(5) of the Foreclosure Law;

(b) payments by Mortgagee of: (i) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance on the Mortgaged Property; (ii) real estate taxes and assessments, general and special and other taxes and assessments of any kind or nature whatsoever that are assessed or imposed upon the Mortgaged Property or any part thereof; (iii) other obligations authorized by this Mortgage; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title to the Mortgaged Property, as referred to in Section 15-1505 of the Foreclosure Law;

(c) advances by Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(d) reasonable attorneys' fees and other costs incurred: (i) in connection with the foreclosure of this Mortgage as referred to in Sections 1504(d) and 15-1510 of the Foreclosure Law; (ii) in connection with any action, suit or proceeding brought by or against Mortgagee for the enforcement of this Mortgage or arising from the interest of Mortgagee hereunder; or (iii) in preparation for or in connection with the commencement, prosecution or defense

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of any other action related to this Mortgage or the Mortgaged Property;

(e) Mortgagee's fees and costs, including reasonable attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Section 15-1508(b)(1) of the Foreclosure Law;

(f) expenses deductible from proceeds of sale as referred to in Sections 15-1512(a) and 15-1512(b) of the Foreclosure Law;

(g) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (i) premiums for casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Property imposed by Section 15-1704(c)(1) of the Foreclosure Law; (ii) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (iii) payments deemed by Mortgagee to be required for the benefit of the Mortgaged Property or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Mortgaged Property; and (iv) shared or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Property is a member in any way affecting the Mortgaged Property.

All Protective Advances shall be additional Obligations secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the rate of interest payable after default under the terms of the Credit Agreement. This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded, as set forth under Section 15-1302(b)(5) of the Foreclosure Law.

All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Foreclosure Law, apply to and be included in:

(a) any determination of the amount of indebtedness secured by this Mortgage at any time;

(b) the indebtedness found due and owing to Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or finding by the court of any additional indebtedness becoming due after such entry of judgment,

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it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(c) if right of redemption has not been waived by this Mortgage, computation of amounts required to redeem, pursuant to Sections 15-1503(d)(2) and 15-1603(e) of the Foreclosure Law.

(d) determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Foreclosure Law.

(e) application of income in the hands of any receiver or mortgagee in possession; and

(f) computation of any deficiency judgment pursuant to Sections 15-1508(b)(2), 15-1508(e) and 15-1511 of the Foreclosure Law.

4.03 Environmental Inspections. Mortgagee may, at any time after the occurrence of an Event of Default, enter the Mortgaged Property to ascertain its environmental condition and in so doing may sample building materials, take soil samples and test borings and otherwise inspect the Mortgaged Property. The costs and expenses paid or incurred by Mortgagee in connection with such inspections and activities shall be reimbursed by Mortgagor and shall constitute additional obligations secured by this Mortgage.

ARTICLE V - GENERAL PROVISIONS

5.01 Release. Mortgagee shall release this Mortgage and the lien hereof by proper instrument upon payment and discharge of all of the obligations and termination of all of Mortgagee's and the Lenders' obligations under the Credit Documents. Mortgagee and Lenders shall have no obligation to record any release instrument.

5.02 Mortgagor. This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor. Whenever in this Mortgage there is reference made to any of the parties hereto, such reference shall be deemed to include, wherever applicable, a reference to the heirs, executors and administrators or successors and assigns (as the case may be) of Mortgagor and Mortgagee. Mortgagor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Mortgagor.

5.03 Waiver of Rights. Mortgagor acknowledges that the Mortgaged Property does not constitute agricultural real estate, as defined in Section 15-1201 of the Foreclosure Law, or residential real estate as defined in Section 15-1219 of the Foreclosure Law. Pursuant to Section 15-1601(b) of the Foreclosure Law, Mortgagor hereby waives any and all right of redemption. Mortgagor waives and will not avail itself of any appraisalment, valuation, stay, moratorium, extension or exemption laws now existing or hereafter

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enacted (including, without limitation, all rights under and by virtue of the homestead exemption laws and redemption laws of the State of Illinois). Mortgagor waives any right to have the property comprising the Mortgaged Property marshalled upon any foreclosure and agrees that upon a foreclosure the Mortgaged Property may be sold as an entirety.

5.04 Additional Documents. Mortgagor agrees that upon request of Mortgagee it will from time to time execute, acknowledge and deliver all such additional instruments and further assurances of title and will do or cause to be done all such further acts and things as may be reasonably necessary fully to effectuate the intent of this Mortgage.

5.05 Notices. All notices and other communications under this Mortgage shall be in writing, except as otherwise provided in this Mortgage. A notice, if in writing, shall be considered as properly given if given in accordance with the provisions of the Credit Agreement.

5.06 Governing Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

5.07 Time of Essence. Time is of the essence of this Mortgage and of every part hereof of which time is an element.

5.08 Severability. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such illegality or unenforceability shall, at the option of Mortgagee, not affect any other provision hereof, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

5.09 Future Advances. Mortgagee and the Lenders have bound themselves and do hereby bind themselves to make advances pursuant to and subject to the terms of the Credit Agreement, and the parties hereby acknowledge and intend that all such advances, including future advances whenever hereafter made, shall be a lien from the time this Mortgage is recorded, as provided in Section 15-1302(b)(1) of the Foreclosure Law.

5.10 Multisite Real Estate Transaction. Mortgagor acknowledges that this Mortgage is one of a number of other mortgages, deeds of trust and assignments of leases and rents and other security documents (hereinafter collectively the "Other Mortgages") which secure the payment and performance of the Obligations in whole or in part. Mortgagor agrees that the lien of this Mortgage shall be absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of Mortgagee and, without limiting the generality of the foregoing, the lien hereof shall not be impaired by any acceptance by Mortgagee of any security for or guarantees upon any of the Obligations or by any failure, neglect or omission on the part of

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Mortgagee to realize upon or protect any of the Obligations or any collateral security therefor including the Other Mortgages. The lien hereof shall not in any manner be impaired or affected by any release (except as to the property released), sale, pledge, surrender, compromise, settlement, renewal, extension, indulgence, alteration, changing, modification or any disposition of any of the Obligations or of any of the collateral security therefor. Mortgagee may exercise any of the rights and remedies under the Other Mortgages without first exercising or enforcing any of its rights and remedies hereunder, or may foreclose, exercise any power of sale, or exercise any other right available under this Mortgage without first exercising or enforcing any of its rights and remedies under any or all of the Other Mortgages. Such exercise of Mortgagee's rights and remedies under any or all of the Other Mortgages shall not in any manner impair the Obligations or lien of this Mortgage, and any exercise of the rights or remedies of Mortgagee hereunder shall not impair the lien of any of the Other Mortgages or any of Mortgagee's rights and remedies thereunder. Mortgagor specifically consents and agrees that Mortgagee may exercise its rights and remedies hereunder and under the Other Mortgages separately or concurrently and in any order that Mortgagee may deem appropriate.

5.11. Credit Agreement Paramount. If and to the extent that any of the provisions of this Mortgage conflict or are otherwise inconsistent with any provisions of the Credit Agreement, the provisions of the Credit Agreement shall prevail. Notwithstanding the foregoing, the failure of the Credit Agreement to speak to or address a provision expressly set forth in this Mortgage shall not be deemed to be such an inconsistency or conflict.

5.12. Credit Document. For the avoidance of doubt, this Mortgage is a "Collateral Document" and a "Credit Document," under and as defined in the Credit Agreement.

5.13. JURY TRIAL WAIVER. TO THE EXTENT PERMITTED BY LAW EACH PARTY TO THIS MORTGAGE HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (1) ARISING UNDER THIS MORTGAGE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR (2) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS MORTGAGE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS MORTGAGE MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

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5.14. Trustee's Exculpatory Clause. This Mortgage is executed by Trustee, in its capacity as Trustee, not personally, but as trustee under the Trust Agreement, in the exercise of the power and authority conferred upon and vested in it as such trustee (and Trustee hereby warrants in its individual capacity that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on Trustee, in its capacity as Trustee, personally to pay the Obligations or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, representation, agreement or condition, either express or implied herein contained, or with regard to any warranty contained in this Mortgage except the warranty made in this Section 5.14, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder; provided, however, that nothing herein contained shall be construed in any way so as to affect or impair the lien of this Mortgage or Mortgagee's rights hereunder, or construed in any way so as to limit or restrict any of the rights and remedies of Mortgagee or any exercise of such rights or other enforcement of the payment of the indebtedness secured hereby in the manner provided herein, or construed in any way so as to limit or restrict any of the rights and remedies of Mortgagee under any other Credit Document.

(SIGNATURE PAGE TO FOLLOW)

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IN WITNESS WHEREOF, Mortgagor has duly executed and delivered this Mortgage as of the day and year first above written.

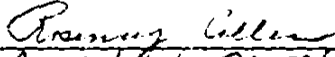
FRETTER, INC.

By: 
Its: VICE PRESIDENT

LASALLE NATIONAL TRUST, N.A., not personally, but as trustee as aforesaid

By: 
Its: SR. VICE PRESIDENT

Attest:

By: 
Its: Assistant Secretary

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STATE OF MICHIGAN
COUNTY OF LIVINGSTON) SS.
)

BEFORE ME, a Notary Public, in and for said county and state, personally appeared the above-named FRETTER, INC., a Michigan corporation, by STUART GARRIN, its ~~VIC~~ PRESIDENT who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed and the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Brighton, Illinois this 3rd day of June, 1996.
Michigan

Laurie E. Cirino
Notary Public

LAURIE E. CIRINO
Notary Public, Wayne County, MI
My Commission Expires Jan. 15, 1997

Property of Cook County Clerk's Office

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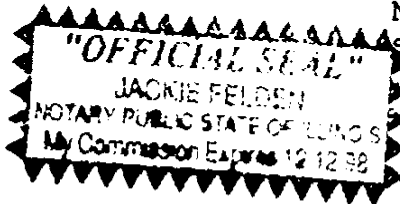
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STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On Jan 5, 1996, before me, the undersigned,
a Notary Public in and for said State personally appeared
JOSEPH W. LANG known to me to be the Sr. ~~VICE PRESIDENT~~ and
_____ known to me to be the
_____ of LASALLE NATIONAL TRUST, N.A. as
trustee, and acknowledged to me that such individuals executed the
within instrument on behalf of said corporation.

WITNESS my hand and official seal.

Jackie Felden
Notary Public in and for
said County and State



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Store #20-040

EXHIBIT "A"

PARCEL 1:

Part of Lot 1 in Banbury Consolidation in the North West 1/4 of Section 24, Township 41 North, Range 13 recorded March 19, 1986 as Document Number 86107339 and filed March 19, 1986 as Document Number LR 3502281 East of the Third Principal Meridian, described as follows:

COMMENCING at the most Easterly Southerly corner of said Lot 1; thence Northerly along the East line of Lot 1, a distance of 19.88 feet; thence Westerly at right angles to the East line of Lot 1, a distance of 15.00 feet to the point of beginning; thence continuing Westerly, at right angles to the East line of Lot 1, a distance of 90.00 feet; thence Northerly, parallel with the East line of lot 1, a distance of 235.00 feet; thence Easterly at right angles to the last described line, a distance of 75.00 feet; thence Northerly, parallel with the East line of Lot 1, a distance of 5.00 feet; thence Easterly at right angles to the last described line, a distance of 15.00 feet; thence Southerly, parallel with the East line of Lot 1, a distance of 240.00 feet to the place of beginning, in Cook County, Illinois.

ALSO

PARCEL 2:

Easement appurtenant to and for the benefit of Parcel 1 for the purpose of pedestrian and vehicular ingress, egress, passage, delivery, parking and installation, construction, repair or maintenance of utilities, servicing the land, as created by the Reciprocal Easement and Operation Agreement made by and between La Salle National Bank, as Trustee under Trust Agreement dated June 17, 1985 and known as Trust No. 109877 and Toys "R" Us, Inc., recorded June 27, 1986 as document 86264888 and as created by the deed from La Salle National Bank, as Trustee under Trust Agreement dated June 9, 1985 and known as Trust No. 111202 to La Salle National Bank, as Trustee under Trust Agreement dated June 24, 1986 and known as Trust No. 10946, dated June 9, 1986 and recorded July 9, 1986 as document 86283603.

Permanent Tax NO.: 10-24-109-018; Volume 54 / 10-24-109-019; Volume 54
10-24-109-020; Volume 54 / 10-24-109-017; Volume 54
(These tax numbers affects part of the above mentioned property
and other property)

Property Address: 1906 Dempster Street
Evanston, Illinois 60202

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