

UNOFFICIAL COPY

0010369599

1947/0074 38 001 Page 1 of 28
2001-05-03 13:07:21
Cook County Recorder 75.50



0010369599

Property of Cook County Clerk's Office

Cook County, Illinois
MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF
LEASES AND RENTS AND FINANCING STATEMENT

BY

NATIONAL CASTINGS INC., a Delaware corporation
as Mortgagor,

TO

BANK OF AMERICA, N.A.,
a national banking association
(f/k/a Bank of America National Trust and Savings Association),
as Agent,

as Mortgagee,

Relating to Premises in:

Cook County, Illinois

DATED: As of May 2, 2001

This instrument was prepared by and
after recording ~~should be returned to:~~

James L. Marovitz
Sidley & Austin
Bank One Plaza
10 South Dearborn Street
Chicago, Illinois, 60603

1 of 1 Elna
CC 200933

UNOFFICIAL COPY

Table of Contents 10369599

Page

I		
RECITALS		1
II		
THE GRANT		2
III		
GENERAL AGREEMENTS		5
3.01	Payment of Indebtedness	5
3.02	Impositions	5
3.03	Payment of Impositions by Mortgagee	5
3.04	Insurance	6
3.05	Condemnation and Eminent Domain	7
3.06	Maintenance of Property	9
3.07	Prohibited Liens and Transfers	9
3.08	Stamp Taxes	9
3.09	Change in Tax Laws	9
3.10	Assignment of Leases and Rents	10
3.11	Uniform Commercial Code	11
3.12	Releases	11
3.13	Further Assurances	11
IV		
EVENT OF DEFAULT AND REMEDIES		12
4.01	Event of Default	12
4.02	Acceleration of Maturity	12
4.03	Remedies Cumulative and Non-Waiver	12
4.04	Litigation Expenses	13
4.05	Mortgagee's Performance of Mortgagor's Obligations	13
4.06	Right of Possession	15
4.07	Priority of Rent Payments	16
4.08	Appointment of Receiver	16
4.09	Foreclosure Sale	16
4.10	Application of Proceeds	16
4.11	Insurance Upon Foreclosure	16
4.12	Waiver of Statutory Rights	17
V		
MISCELLANEOUS		18
5.01	Notices	18
5.02	Time of Essence	18
5.03	Covenants Run with Land	18
5.04	GOVERNING LAW	18
5.05	Rights and Remedies Cumulative	18
5.06	Severability	18

UNOFFICIAL COPY

	<u>Page</u>
5.07 Non-Waiver	19
5.08 Headings	19
5.09 Grammar	19
5.10 Deed in Trust	19
5.11 Successors and Assigns	19
5.12 Mortgagee in Possession	19
5.13 Compliance with Applicable Law	19
5.14 Incorporation of Credit Agreement	20
5.15 Revolving Credit	20
5.16 Maintenance of Encumbrance Amount	20
5.17 Subordination of Property Manager's Lien and Real Estate Broker's Lien	21
5.18 Illinois Responsible Property Transfer Act	21

10369599

Property of Cook County Clerk's Office

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

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS, AND FINANCING STATEMENT ("Mortgage") is made as of May 2, 2001, by and among NATIONAL CASTINGS INC., a Delaware corporation with an address of 335 Eisenhower Lane South, Lombard, Illinois 60148 ("Mortgagor"), to BANK OF AMERICA, N.A., a national banking association (f/k/a Bank of America National Trust and Savings Association), with its principal office at 231 South LaSalle Street, Chicago, Illinois 60697, as mortgagee, assignee and secured party, in its capacity as agent on behalf of itself as lender and for the Lenders as hereinafter defined (together with any successors or assigns in such capacity, the "Agent" or "Mortgagee").

**I
RECITALS**

WHEREAS, Mortgagor is the owner and holder of fee simple title in and to all of the real estate located in the County of Cook and State of Illinois (the "State"), more fully described in Exhibit A attached hereto (the "Premises") and the owner of the Personal Property (as hereinafter defined), which Premises forms a portion of the Property described below;

WHEREAS, ABC-NACO, a Delaware corporation (the "American Borrower") previously entered into that certain Credit Agreement dated as of February 19, 1999 by and among the American Borrower, ABC-NACO Latino America S.A. de C.V., a Mexican corporation (the "Mexican Borrower"), Dominion Castings Limited, an Ontario corporation (the "Canadian Borrower"; the American Borrower, together with the Mexican Borrower and the Canadian Borrower are sometimes herein collectively called the "Borrowers"), Bank of America National Trust and Savings Association, as Agent and Letter of Credit Issuing Lender and each of the other financial institutions party thereto (the "Lenders"), (the "Original Credit Agreement");

WHEREAS, the Original Credit Agreement was amended by that certain Amendment, Waiver and Release Agreement dated as of October 12, 1999, as further amended by that certain Amended and Restated Credit Agreement dated as of October 29, 1999, as further amended by that certain Second Amended and Restated Credit Agreement dated as of March 9, 2000, as further amended by that certain Third Amended and Restated Credit Agreement dated as of October 30, 2000, and as further amended by that certain Fourth Amended and Restated Credit Agreement dated as of May 2, 2001 (the Original Credit Agreement, as amended by the Amendment, Waiver and Release Agreement, the Amended and Restated Credit Agreement, the Second Amended and Restated Credit Agreement, the Third Amended and Restated Credit Agreement, and the Fourth Amended and Restated Credit Agreement, as such may be further amended, restated, modified or otherwise supplemented and in effect from time to time, is hereinafter the "Credit Agreement");

WHEREAS, Mortgagor derives substantial direct and indirect benefits from the financial accommodations made by the Lenders to the Borrowers pursuant to the Credit Agreement and has executed an Amended and Restated Subsidiary Guaranty, dated as of May 2, 2001 (the "Subsidiary Guaranty");

UNOFFICIAL COPY

10369599

WHEREAS, to provide further assurance and security to the Agent and the Lenders and as a condition to the Agent and the Lenders executing the Credit Agreement, the Agent and the Lenders are requiring that Mortgagor grant to the Agent, on behalf of the Lenders, a security interest in and a first mortgage lien upon the Property (as hereinafter defined) to secure all of the Borrower's Obligations (hereinafter defined) under the Credit Agreement and all of the other Loan Documents (as this and other capitalized terms not otherwise defined herein are defined in the Credit Agreement);

WHEREAS, this Mortgage is being given by Mortgagor to secure (a) the obligations of Mortgagor under the Subsidiary Guaranty, (b) the payment of all the Obligations (as defined in the Credit Agreement) arising under the Credit Agreement, this Mortgage and under the other Loan Documents, and (c) the performance of all terms, covenants, conditions, provisions, agreements and liabilities contained in the Credit Agreement, this Mortgage and in the other Loan Documents (collectively, the "Secured Indebtedness");

WHEREAS, this Mortgage also secures the payment of and includes all amounts owing with respect to all future or further advances of the loans made pursuant to the Credit Agreement (the "Loans") as shall be made at all times, regardless of whether proceeds of the Loans have or shall be disbursed by Mortgagee herein or its successors or assigns, to and for the benefit of Mortgagor, its successors or assigns, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of Secured Indebtedness secured by this Mortgage may decrease or increase from time to time but the total unpaid principal balance so secured at any one time shall not exceed the lesser of: (i) the maximum principal sum permitted by the laws of the State in which the Premises are located; or (ii) FOUR HUNDRED MILLION AND 00/100 DOLLARS (\$400,000,000.00) together with interest thereon and any and all disbursements made by Mortgagee for the payment of taxes, or insurance on the Property covered by the lien of this Mortgage and for reasonable attorneys' fees, loan commissions, service charges, liquidated damages, expenses and court costs incurred in the collection of any or all of such sums of money. Such further or future advances shall be considered obligatory advances and the same shall bear interest at the same rate as specified in the Credit Agreement unless such interest rate shall be modified by subsequent agreement. The parties hereby acknowledge and intend that all advances, including future advances whenever hereafter made, shall be a lien from the time this Mortgage is recorded.

II THE GRANT

NOW, THEREFORE, in order to secure the payment of the Obligations and the performance of all terms, covenants, conditions provisions, agreements and liabilities contained in the Subsidiary Guaranty, Credit Agreement, this Mortgage and in the other Loan Documents and also to secure the payment of any and all Secured Indebtedness, direct or contingent, that may now or hereafter become owing from Mortgagor to Mortgagee and the Lenders and the performance of all other obligations under the Loan Documents, and in consideration of Ten and No/100 Dollars (\$10.00) in hand paid by Mortgagee to Mortgagor, the Recitals above stated, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor GRANTS, BARGAINS, SELLS, ASSIGNS, RELEASES, ALIENS, TRANSFERS, WARRANTS, DEMISES, CONVEYS and MORTGAGES to Mortgagee and its

UNOFFICIAL COPY

10369599

successors and assigns forever (and grants to Mortgagee and its successors and assigns forever a continuing security interest in and to) the Premises described on Exhibit A, and all of its estate, right, claim and interest therein, together with the following described property, all of which other property is pledged primarily on a parity with the Premises and not secondarily (the Premises and the following described rights, interests, claims and property collectively referred to as the "Property"):

(a) all buildings, structures and other improvements of every kind and description now or hereafter erected, situated, or placed upon the Premises (the "Improvements"), together with any and all Personal Property (as defined in Paragraph (i) below) and all attachments now or hereafter owned by Mortgagor and located in or on, forming part of, attached to, used or intended to be used in connection with, or incorporated in any such Improvements, including all extensions of, additions to, betterments, renewals of, substitutions for and replacements for any of the foregoing;

(b) all claim, demand, right, title and interest of Mortgagor now owned or hereafter acquired, including without limitation, any after-acquired title, franchise, license, remainder or reversion, in and to any and all (i) land or vaults lying within the right-of-way of any street, avenue, way, passage, highway, or alley, open or proposed, vacated or otherwise, adjoining the Premises; (ii) alleys, sidewalks, streets, avenues, strips and gores of land belonging, adjacent or pertaining to the Premises or the Improvements; (iii) storm and sanitary sewer, water, gas, electric, railway and telephone services relating to the Premises and the Improvements; (iv) development rights, air rights, water, water rights, water stock, gas, oil, minerals, coal and other substances of any kind or character underlying or relating to the Premises or any part thereof; and (v) tenements, hereditaments, easements, appurtenances, other rights, liberties, reservations, allowances and privileges relating to the Premises or the Improvements or in any way now or hereafter appertaining thereto, including homestead and any other claims at law or in equity;

(c) all leasehold estates and right, title and interest of Mortgagor in any and all leases, subleases, management agreements, arrangements, concessions or agreements, written or oral, relating to the use and occupancy of the Premises or the Improvements or any portion thereof, now or hereafter existing or entered into (collectively "Leases");

(d) all rents, issues, profits, royalties, revenue, advantages, income, awards, claims against guarantors, all cash or security deposits, advance rentals, deposits or payments given and other benefits now or hereafter derived directly or indirectly from the Premises and Improvements under the Leases or otherwise (collectively "Rents"), subject to the right, power and authority in the Assignments (as hereinafter defined) to collect and apply the Rents;

(e) all right, title and interest of Mortgagor in and to all options to purchase or lease the Premises or the Improvements or any portion thereof or interest therein, or any other rights, interests or greater estates in the rights and properties comprising the Property now owned or hereafter acquired by Mortgagor;

(f) any interests, estates or other claims of every name, kind or nature, both in law and in equity, which Mortgagor now has or may acquire in the Premises and Improvements or other rights, interests or properties comprising the Property now owned or hereafter acquired;

(g) all rights of Mortgagor to any and all plans and specifications, designs, drawings and other matters prepared for any construction on the Premises or regarding the Improvements;

(h) all rights of Mortgagor under any contracts executed by Mortgagor with any provider of goods or services for or in connection with any construction undertaken on or services performed or to be performed in connection with the Premises or the Improvements;

(i) all right, title and interest of Mortgagor in and to all the following tangible personal property ("Personal Property") owned by Mortgagor and now or at any time hereafter located in, on or at the Premises or the Improvements and used or useful in connection therewith:

(i) all building materials and equipment located upon the Premises and intended for construction, reconstruction, alteration, repair or incorporation in or to the Improvements now or hereafter to be constructed thereon, whether or not yet incorporated in such Improvements, (all of which shall be deemed to be included in the Property upon delivery thereto);

(ii) all machines, machinery, fixtures, apparatus, equipment or articles used in supplying heating, gas, electricity, air-conditioning, water, light, power, plumbing, sprinkler, waste removal, refrigeration, ventilation, and all fire sprinklers, alarm systems, protection, electronic monitoring equipment and devices;

(iii) all window, structural, maintenance and cleaning equipment and rigs; and

(iv) all fixtures now or hereafter owned by Mortgagor and attached to or contained in and used or useful in connection with the Premises or the Improvements. All such property owned by Mortgagor and placed by it on the Premises or used in connection with the operation or maintenance shall, so far as permitted by law, be deemed for the purposes of this Mortgage to be part of the real estate constituting and located on the Premises and covered by this Mortgage. As to any of the property that is not part of such real estate or does not constitute a "fixture" as such term is defined in the Uniform Commercial Code of the State (the "Code"), this Mortgage shall be deemed to be a security agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in property, which Mortgagor hereby grants to the Mortgagee as "secured party" as defined in the Code. The enumeration of any specific items of Personal Property set forth herein shall in no way exclude or be held to exclude any items of property not specifically enumerated;

(j) all the estate, interest, right, title or other claim or demand which the Mortgagor now has or may hereafter have or acquire with respect to (i) proceeds of insurance in effect with respect to the Property and (ii) any and all awards, claims for damages, judgments, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Property, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (collectively "Awards").

TO HAVE AND TO HOLD the Property hereby mortgaged and conveyed or so intended, together with its rents, issues and profits, unto the Mortgagee, its successors and assigns, forever, for the uses and purposes herein set forth, subject, however, only to the Permitted Exceptions more fully described in Exhibit B (the "Permitted Exceptions").

The Mortgagor hereby covenants with the Mortgagee and with the purchaser at any foreclosure sale: that at the execution and delivery hereof, Mortgagor owns the Property and has good, indefeasible estate therein, in fee simple; that the Property is free from all encumbrances and exceptions to title (and any claim of any other person) other than those encumbrances and exceptions which are Permitted Exceptions; that it has good and lawful right to sell, mortgage and convey the Property; and that Mortgagor and its successors and assigns shall forever warrant and defend the Property against all claims and demands whatsoever.

If and when Mortgagor has paid all of the Secured Indebtedness, and has strictly performed and observed all of the agreements, terms, conditions, provisions and warranties contained herein and in the Subsidiary Guaranty, the Credit Agreement and in all of the other Loan Documents and there exist no commitments of the Lenders under the Loan Documents which could give rise to Secured Indebtedness, then this Mortgage and the estate, right and interest of the Mortgagee in and to the Property shall cease and shall be released at the cost of Mortgagor, but otherwise shall remain in full force and effect.

III GENERAL AGREEMENTS

3.01 Payment of Indebtedness. Pursuant to the terms of the Subsidiary Guaranty or otherwise, Mortgagor shall pay promptly and when due all amounts owing in respect of the principal and interest on the indebtedness evidenced by the Revolving Credit Notes and the Swing Line Notes (each as defined in the Credit Agreement; hereinafter defined as the "Notes") and all other Secured Indebtedness at the times and in the manner provided in the Credit Agreement, the Notes, this Mortgage, or any of the other Loan Documents.

3.02 Impositions. Except as otherwise permitted under the Subsidiary Guaranty or the Credit Agreement, Mortgagor shall pay immediately, when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer charges, and any other charges, fees, taxes, claims, levies, expenses, liens and assessments, ordinary or extraordinary, governmental or non-governmental, statutory or otherwise (all of the foregoing being herein collectively referred to as "Impositions"), that may be asserted against the Property or any part thereof or interest therein.

Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any Impositions in accordance with Section 7.07 of the Credit Agreement.

3.03 Payment of Impositions by Mortgagee. Mortgagee is hereby authorized to make or advance, in the place and stead of Mortgagor, any payment relating to Impositions, unless such Imposition is then being contested by Mortgagor pursuant to Paragraph 3.02. Mortgagee may do so according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy or the validity of any Impositions, lien, sale, forfeiture,

or related title or claim. Mortgagee is further authorized to make or advance, in place of Mortgagor, unless such matter is being contested by Mortgagor in accordance with Paragraph 3.02, any payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, charge, or payment otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this Paragraph, whenever, in Mortgagee's judgment and discretion, such advance seems necessary or desirable to protect the full security intended to be created by this Mortgage. All such advances and indebtedness authorized by this Paragraph shall constitute Secured Indebtedness and shall be repayable by Mortgagor upon demand with interest at the highest rate of interest which may be due and owing from time to time on any loan and payable under the Credit Agreement (the "Default Rate").

3.04 Insurance.

(a) Coverage. The Mortgagor shall insure the Property in accordance with the terms of Section 7.06 of the Credit Agreement.

(b) Notice of Damage or Destruction. If the Property or any portion thereof shall be damaged or destroyed by any casualty whatsoever, Mortgagor shall promptly notify Mortgagee in writing of such fact. In Mortgagor's said written notice, Mortgagor shall indicate: (i) whether the damage or destruction is covered by insurance; and (ii) Mortgagor's best estimate of the cost of restoring, repairing, replacing or rebuilding (herein collectively called "Restoring") the Property or part thereof damaged or destroyed.

(c) Settlement. In case of loss covered by insurance ("Insured Casualty"), Mortgagee (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) is hereby authorized at its option either (i) to settle and adjust any claim under such policies with Mortgagor, or (ii) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss. So long as no Default or Event of Default has occurred and is continuing, Mortgagor may itself adjust losses aggregating not in excess of One Hundred Thousand and 00/100 Dollars (\$100,000.00). In any case Mortgagee shall, and is hereby authorized to, collect and receipt for any such insurance proceeds. The expenses incurred by Mortgagee in the adjustment and collection of insurance proceeds shall constitute Secured Indebtedness and shall be reimbursed to Mortgagee upon demand.

(d) Application of Proceeds.

(i) In the event of the occurrence of any Insured Casualty, the proceeds of insurance paid on account of such Insured Casualty shall be applied to reimburse Mortgagor for the cost of restoring, repairing, replacing or rebuilding (herein collectively called "Restoring") the Property or the part thereof damaged or destroyed; provided, that each and every of the following conditions are satisfied or are waived in writing by Mortgagee, namely:

(A) in the reasonable judgment of Mortgagee, the Property can be restored to an architectural and economic unit of the same character and not less valuable than existed immediately prior to the occurrence of the Insured Casualty;

UNOFFICIAL COPY

10369599

(B) the insurers do not deny liability to the insureds with respect to the Insured Casualty; and

(C) no Event of Default shall have occurred and be then continuing.

(ii) Except as may be otherwise provided herein, Mortgagee shall apply the proceeds of insurance (including amounts not required for Restoring the Property) resulting from any Insured Casualty upon the Secured Indebtedness in such order or manner as Mortgagee may elect.

(iii) In the event that proceeds of insurance shall be made available to Mortgagor for Restoring the Property, Mortgagor hereby covenants to restore the same to at least equal value and substantially the same character as prior to the occurrence of such Insured Casualty in accordance with plans and specifications to be first submitted to and reasonably acceptable to Mortgagee. In the event Mortgagor shall fail to restore or rebuild the Improvements within a reasonable time, subject to delays beyond its control, then Mortgagee, at its option, may, but shall not be obligated to, restore and rebuild the Improvements, for or on behalf of the Mortgagor, and for such purpose may do all necessary acts including using the insurance proceeds or any other amounts deposited by the Mortgagor.

(iv) Any portion of the insurance proceeds remaining after deduction of all expenses incurred in the collection and administration of the insurance proceeds (including attorney's fees) shall be paid to Mortgagor or as ordered by a court of competent jurisdiction.

(v) No interest shall be payable by Mortgagee on account of any insurance proceeds at any time held by Mortgagee.

(vi) In the event of foreclosure of this Mortgage or other transfer of title to the Premises in extinguishment of the Secured Indebtedness, all right, title, and interest of Mortgagor in and to any such insurance policies then in force, and any claims for payment of insurance proceeds and any proceeds, shall pass to Mortgagee or any purchaser or grantee. Mortgagee may, at any time after foreclosure and in its sole discretion, procure and substitute for any and all of the insurance policies, such other policies of insurance, in such amounts, and carried in such companies, as it may select.

3.05 Condemnation and Eminent Domain. Mortgagor shall give Mortgagee prompt notice of all proceedings, instituted or threatened, seeking condemnation or a taking by eminent domain or like process (herein collectively called "Taking"), of all or any part of the Property or affecting any related easement or appurtenance (including severance of, consequential damage to, or change in grade of streets), and shall deliver to Mortgagee copies of any and all papers served in connection with any such proceeding.

(a) Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any and all Awards resulting from any Taking. Mortgagee is hereby authorized to collect and

receive from the condemnation authorities all Awards and is further authorized to give appropriate receipts and acquittances;

(b) If (i) in the reasonable judgment of Mortgagor, the Property can be restored to an architectural and economic unit of the same character and not substantially less valuable than existed prior to such Taking and (ii) no Event of Default shall have occurred and then be continuing, the Award shall be applied to reimburse Mortgagor for the cost of Restoring the portion of the Property remaining after such Taking as provided below;

(c) Except as provided in Subparagraph (b) above, Mortgagee shall apply any Award (including the amount not required for Restoring in accordance with Subparagraph (b)) upon the Secured Indebtedness in such order or manner as Mortgagee may elect;

(d) In the event that any Award shall be made available to Mortgagor for Restoring the portion of the Property remaining after a Taking, Mortgagor hereby covenants to restore the remaining portion of the Property to a condition of at least equal value and of substantially the same character as existed prior to such Taking all in accordance with the provisions for disbursement set forth below. In the event Mortgagor shall fail to commence and complete the Restoring within a reasonable time, subject to delays beyond its control, Mortgagee may, but shall not be obligated to, rebuild the Property for or on behalf of Mortgagor and for such purpose may do all necessary acts including, without limitation, using any Award;

(e) Any portion of any Award remaining after deduction for all expenses incurred in the collection and administration of such Award (including attorneys' fees) and after payment in full of the Secured Indebtedness shall be paid to Mortgagor or as ordered by a court of competent jurisdiction; and

(f) No interest shall be payable by Mortgagee on account of any Award at any time held by Mortgagee.

In the event Mortgagor is entitled to reimbursement from insurance proceeds or any Award held by Mortgagee, such proceeds shall be disbursed by Mortgagee if and only if Mortgagor shall have first delivered to Mortgagee: (i) reasonably satisfactory evidence of the estimated cost of completion of Restoring the Property, with funds (or assurances satisfactory to Mortgagee that such funds are available) sufficient in addition to the proceeds of insurance or Award, to complete the proposed Restoring; and (ii) such architect's certificates, waivers of lien, contractor's sworn statements and such other evidences of cost and of payment as Mortgagee may reasonably require and approve. Funds other than proceeds of insurance or the Award shall be disbursed prior to the disbursement of such proceeds, except as may otherwise be provided in any loan agreement expressly approved by Mortgagee. At all times the undisbursed balance of such proceeds remaining in the hands of Mortgagee, together with funds deposited for the purpose of Restoring the Property or irrevocably committed to the satisfaction of Mortgagee by or on behalf of Mortgagor for Restoring the Property, shall be at least sufficient in the reasonable judgment of Mortgagee to pay for the cost of completion of the Restoring, free and clear of all liens or claims for lien.

3.06 Maintenance of Property. Mortgagor shall:

(a) promptly repair, restore, replace or rebuild any portion of the Property which may become damaged, destroyed, altered, removed, severed, or demolished, whether or not proceeds of insurance are available or sufficient for the purpose, with replacements at least equal in quality and condition as previously existed, free from any security interest in, encumbrances on or reservation of title thereto;

(b) keep the Property in good condition and repair, without waste, and free from mechanics', materialmen's or like liens or claims except for the Permitted Encumbrances listed in the Credit Agreement; and

(c) not make any material alterations in the Property, except as required by law or municipal ordinance or in the ordinary course of business.

3.07 Prohibited Liens and Transfers.

(a) Except as otherwise provided in Section 8.01 of the Credit Agreement, Mortgagor shall not create, suffer, or permit to be created or filed against the Property any mortgage lien or other lien superior or inferior to the lien created by this Mortgage. Mortgagor may contest any lien claim arising from any work performed, material furnished, or obligation incurred by Mortgagor upon furnishing Mortgagee security and indemnification satisfactory to Mortgagee for the final payment and discharge of the lien.

(b) Except as otherwise provided in Section 8.02 of the Credit Agreement, Mortgagor may not sell, lease or convey all or any part of the Property or any interest therein.

3.08 Stamp Taxes. If at any time the United States government, or any federal, state, or municipal governmental subdivision, requires Internal Revenue or other documentary stamps or levies any tax on this Mortgage or on the Notes, or requires payment of any tax in the nature of or comparable to the United States Interest Equalization Tax on the Secured Indebtedness, then Mortgagor shall pay such tax, including interest and penalties, in the required manner.

3.09 Change in Tax Laws. In the event of the enactment, after the date of this Mortgage, of any law of the United States of America, or any state or political subdivision thereof, (i) deducting from the value of the Premises, for the purpose of taxation, the amount of any lien thereon; (ii) imposing upon Mortgagee the payment of all or any part of the taxes, assessments, charges or liens hereby required to be paid by Mortgagor, or (iii) changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagor's interest in the Property, or the manner of collection of taxes, so as to affect this Mortgage or the Secured Indebtedness; then Mortgagor, upon demand by Mortgagee, shall pay such taxes, assessments, charges, or liens or reimburse Mortgagee therefor. If, in the opinion of counsel for Mortgagee, it would be unlawful to require Mortgagor to make such payment or the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the Secured Indebtedness to become due and payable within one hundred twenty (120) days after the giving of such notice. Nothing contained in this Paragraph 3.09 shall be construed as obligating Mortgagor to pay any portion of Mortgagee's federal or state income or corporate franchise tax.

3.10 Assignment of Leases and Rents. All right, title, and interest of Mortgagor in and to all present leases affecting the Property and including and together with any and all future leases, written or oral, upon all or any part of the Property and together with all of the rents, income, receipts, revenues, issues, avails and profits from or due or arising out of the Property are hereby transferred and assigned simultaneously herewith to Mortgagee as further security for the payment of the Secured Obligations. All future leases affecting the Property for terms in excess of three (3) years shall be submitted by Mortgagor to Mortgagee for its approval prior to execution. Each lease shall be subordinate to this Mortgage. It is the intention of Mortgagor that this assignment contained in this paragraph shall be a present assignment, however, it is expressly understood and agreed, anything to the contrary notwithstanding, that Mortgagee shall not exercise any of the rights or powers conferred upon it by this paragraph until an Event of Default shall exist under this Mortgage. From time to time, Mortgagor shall furnish Mortgagee with executed copies of each of the leases and with estoppel letters from each tenant under each of the leases, which estoppel letters shall be in a form satisfactory to Mortgagee and shall be delivered within thirty (30) days after Mortgagee's written demand.

Following the occurrence of an Event of Default, (a) Mortgagee shall have the rights and powers as are provided herein, (b) this Mortgage shall constitute a direction to each lessee under the leases and each guarantor thereof, if any, to pay all rents directly to Mortgagee without proof of the Event of Default, and (c) Mortgagee shall have the authority, as Mortgagor's attorney-in-fact (such authority being coupled with an interest and irrevocable), to sign the name of Mortgagor and to bind Mortgagor on all papers and documents relating to the operation, leasing and maintenance of the Property.

If Mortgagor, as lessor under any Lease, shall neglect or refuse to perform, observe and keep all of the covenants, provisions and agreements contained in such lease, then Mortgagee may perform and comply with any such lease covenants, agreements and provisions. All costs and expenses incurred by Mortgagee in complying with such covenants, agreements, and provisions shall constitute indebtedness secured hereby and shall be payable upon demand with interest at the Default Rate.

Mortgagee shall not be obligated to perform or discharge any obligation, duty or liability under any lease, and Mortgagor shall and does hereby agree, except to the extent of Mortgagee's gross negligence or willful misconduct, to indemnify and hold the Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under any lease or under or by reason of their assignments and of and from any and all claims and demands whatsoever which may be asserted against it by reason of all alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in such lease. Should Mortgagee incur any such liability, loss or damage under any lease or under or by reason of its assignment, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby. Mortgagor shall reimburse Mortgagee therefor immediately upon demand with interest payable at the Default Rate. Mortgagor covenants and agrees that upon the date hereof it shall execute and deliver to Mortgagee a certified rent roll listing all tenants and occupants currently leasing, using or occupying any part or portion of the Premises, and such rent roll contains true, complete and accurate information as to all matters described therein.

3.11 Uniform Commercial Code. This Mortgage constitutes a Security Agreement as that term is used in the Code with respect to: (i) all sums at any time on deposit for the benefit of Mortgagee pursuant to any of the provisions of this Mortgage or any related documents; and (ii) any part of the Property which may or might now or hereafter be or be deemed to be personal property, fixtures or property (including all replacements, additions and substitutions) other than real estate (collectively "Collateral"). All of Mortgagor's right, title and interest in the Collateral is hereby assigned to Mortgagee to secure the payment of the Secured Obligations and the performance of all of Mortgagor's obligations. All of the terms, provisions, conditions and agreements contained in this Mortgage apply to the Collateral as fully and to the same extent as to any other property comprising the Property.

At any time after an Event of Default has occurred, and is continuing Mortgagee shall have the remedies of a Secured Party under the Code, including without limitation the right to take immediate and exclusive possession of the Collateral or any part thereof.

The remedies of Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of the Mortgagee, including having the Collateral deemed part of the realty upon any foreclosure so long as any part of the Secured Obligations remains unsatisfied. To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover and include all leases between the Mortgagor, as lessor, and various tenants, as lessee, including all extensions and renewals of the lease terms, as well as any amendments to or replacements of the leases, together with all of the right, title and interest of the Mortgagor as lessor, including, without limiting the generality of the foregoing, the present and continuing right to: (i) make claim for, collect, receive and receipt for any and all of the rents, and moneys payable as damages or in lieu of the rents and moneys payable as the purchase price of the Property or any part thereof or claims for money and other sums of money payable or receivable thereunder howsoever payable; and (ii) bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which Mortgagor or any lessor is or may become entitled to do under the leases.

3.12 Releases. Without notice and without regard to the consideration therefor, and to the existence at that time of any inferior liens, Mortgagee may release from the lien created hereby all or any part of the Property, or release from liability any person obligated to repay any Secured Indebtedness, without affecting the liability of any party to any of the Notes, this Mortgage, or any of the other Loan Documents (including without limitation any guaranty given as additional security) and without in any way affecting the priority of the lien created hereby. Mortgagee may agree with any liable party to extend the time for payment of any part or all of the Secured Indebtedness. Such agreement shall not in any way release or impair the lien created by this Mortgage or reduce or modify the liability of any person or entity obligated personally to repay the Secured Indebtedness, but shall extend the lien created by this Mortgage as against the title of all parties having any interest, subject to the Secured Indebtedness in the Property.

3.13 Further Assurances. Mortgagor agrees that, upon request of Mortgagee from time to time, it will, at Mortgagor's sole cost and expense, 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 reasonably be necessary to fully effectuate the intent of this

Mortgage, including without limitation, reimbursing Mortgagee for the costs of appraisals of the Property, to the extent that Mortgagee determines in good faith that such appraisals are required by any law or any governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any interpretation thereof, including, without limitation, the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, and any rules promulgated to implement such provisions. In the event that Mortgagor shall fail to do any of the foregoing, Mortgagee may, in its sole discretion, do so in the name of Mortgagor, and Mortgagor hereby appoints Mortgagee as its attorney-in-fact to do any of the foregoing.

IV

EVENT OF DEFAULT AND REMEDIES

4.01 Event of Default. The occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an "Event of Default" under this Mortgage:

(a) The occurrence of an "Event of Default," as such term is defined in the Credit Agreement;

(b) Failure of Mortgagor to timely perform, keep or observe any covenant, agreement, representation, warranty or other provision contained in the Subsidiary Guaranty and the same may remain uncured; or

(c) Failure of Mortgagor to perform, keep or observe any covenant, agreement, representation, warranty or other provision contained in this Mortgage and the same shall remain unremedied for thirty (30) days or more.

4.02 Acceleration of Maturity. Following the occurrence of an Event of Default, the Secured Indebtedness shall become due and payable in accordance with the terms of the Credit Agreement and/or the Subsidiary Guaranty. Upon acceleration, Mortgagee may immediately proceed to foreclose this Mortgage and/or exercise any right, power or remedy provided by this Mortgage or any of the other Loan Documents or by law or in equity conferred and pursue all remedies afforded to a mortgagee under and pursuant to applicable law.

4.03 Remedies Cumulative and Non-Waiver. No remedy or right of Mortgagee hereunder or under the Notes, or any of the Loan Documents or otherwise, or available under applicable law, shall be exclusive of any other right or remedy. Each such remedy or right shall be in addition to every other remedy or right now or hereafter existing under any such document or under applicable law. No delay in the exercise of, or omission to exercise, any remedy or right accruing on the occurrence of any Event of Default shall impair any such remedy or right or be construed to be a waiver of any such Event of Default or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or a different nature, nor shall it extend or affect any grace period. Every remedy or right may be exercised concurrently or independently, when and as often as may be deemed expedient by the Mortgagee. All obligations of the Mortgagor, and all rights, powers and remedies of the Mortgagee shall be in addition to, and not in limitation of, those provided by law or in the Notes or contained in any of the Loan

Documents or any other written agreement or instrument relating to any of the Secured Indebtedness or any security therefor.

4.04 Litigation Expenses. In any proceeding to foreclose the lien of this Mortgage or enforce any other remedy of Mortgagee under the Subsidiary Guaranty, the Credit Agreement, the Notes, this Mortgage, or the other Loan Documents, or in any other proceeding in connection with any of the Loan Documents or any of the Property in which Mortgagee is named as a party, there shall be allowed and included, as additional indebtedness in the judgment or decree resulting all related expenses paid or incurred by or on behalf of Mortgagee. Such expenses shall include: attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, survey costs, and costs of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and any similar data and assurances with respect to title to the Property as Mortgagee may deem reasonably necessary either to prosecute or defend in such proceeding or to evidence to bidders at any sale pursuant to such decree the true condition of the title to or value of the Premises or the Property. All foregoing expenses, and such expenses as may be incurred in the protection of any of the Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation affecting the Subsidiary Guaranty, the Credit Agreement, the Notes, this Mortgage, or the Property, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding (which may be estimated as to items to be expended after entry of such judgment or decree), shall be due and payable by Mortgagor upon demand with interest thereon at the Default Rate.

4.05 Mortgagee's Performance of Mortgagor's Obligations. Following the occurrence of an Event of Default, Mortgagee, either before or after acceleration of the Secured Indebtedness or the foreclosure of the lien hereof and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein, in the Notes, any of the Loan Documents or any document or instrument related thereto which is required of Mortgagor (whether or not Mortgagor is personally liable therefor) in any form and manner deemed expedient to Mortgagee; and Mortgagee may, but shall not be required to, make full or partial payments of principal or interest on any permitted prior mortgage or encumbrances and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises, or contest any Impositions and may, but shall not be required to, complete construction, furnishing and equipping of the Improvements upon the Premises and rent, operate and manage the premises and such Improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises and Improvements shall be operational and usable for their intended purposes. All monies paid for any of the purposes herein authorized, and all expenses paid or incurred in connection therewith, including attorneys' fees and any other monies advanced by Mortgagee to protect the Premises and the lien hereof, or to complete construction, furnishing and equipping or to rent, operate and manage the Premises and such Improvements or to pay any such operating costs and expenses thereof or to keep the Premises and Improvements operational and usable for their intended purposes, shall constitute Secured Indebtedness, whether or not they exceed the amount of the Notes, and shall become due and payable upon demand and with interest thereon at the Default Rate. Mortgagee, in making any payment hereby authorized: (a) for the payment of Impositions, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale,

forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim or lien which may be asserted; or (c) for the completion of construction, furnishing or equipping of the Improvements or the Premises or the rental, operation or management of the Premises or the payment of operating cost and expenses thereof, may do so in such amounts and to such persons as Mortgagee may deem appropriate and may enter into such contracts therefor as Mortgagee may deem appropriate or may perform the same itself.

All advances, disbursements and expenditures (collectively "Advances") made by Mortgagee after an Event of Default, before and during foreclosure, prior to sale, and where applicable, after sale, for the following purposes, including interest thereon at the Default Rate, are hereinafter referred to as "Protective Advances":

- (1) Advances pursuant to this Paragraph 4.5.
- (2) Any amount expended by Mortgagee in Restoring the Property in excess of the actual or estimated proceeds of insurance or condemnation, which excess shall constitute additional Secured Indebtedness;
- (3) Advances in accordance with the terms of this Mortgage to: (a) protect, preserve or restore the mortgaged real estate; (b) preserve the lien of this Mortgage or the priority thereof; or (c) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 15-1302 of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et. seq. (as amended from time to time, the "Act"),
- (4) When due installments of real estate taxes and other impositions; other obligations authorized by this Mortgage; or with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, all as referred to in this Paragraph 4.05 of this Mortgage and in Section 15-1505 of the Act;
- (5) Reasonable attorneys' fees and other costs incurred in connection with: (a) the exercise of Mortgagee's rights to make Protective Advances; (b) the foreclosure of this Mortgage as referred to in Sections 1504(d)(2) and 15-1510 of the Act; (c) any other litigation or administrative proceeding relating to the Property to which Mortgagee may be or become or be threatened or contemplated to be a party, without fault on its part, including probate and bankruptcy proceedings; or (d) in the preparation for the commencement or defense of any such suit or proceeding; including filing fees, appraisers' fees, outlays for documents and expert evidence, witness fees, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of judgment) of procuring all such abstracts of title, title charges and examinations, foreclosure minutes, title insurance policies, Torrens certificates, appraisals, and similar data and assurances with respect to title and value as Mortgagee may deem reasonably necessary either to prosecute or defend such suit or, in case of foreclosure, to evidence to bidders at any sale which may be had pursuant to the foreclosure judgment the true condition of the title to or the value of the Property;

(6) Mortgagee's fees and costs arising between the entry of judgment of foreclosure and the confirmation hearing, as referred to in Subsection (b)(1) of Section 15-1508 of the Act;

(7) Payment by Mortgagee of any Impositions as may be required by this Mortgage;

(8) Mortgagee's advances of any amount required to make up a deficiency in deposits for installments of Impositions as may be required by this Mortgage;

(9) Expenses deductible from proceeds of sale referred to in Subsections (a) and (b) of Section 15-1512 of the Act;

(10) Expenses incurred and expenditures made by Mortgagee for any one or more of the following: (a) premiums upon casualty and liability insurance made by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required without regard to the limitation to maintaining insurance in effect at the time any receiver or mortgagee takes possession of the Property imposed by Subsection (c)(1) of Section 15-1704 of the Act; (b) expenditures in connection with Restoring the Property in excess of available insurance proceeds or condemnation awards; (c) payments required or reasonably deemed by Mortgagee to be for the benefit of the Property or required to be made by the owner of the 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 Property; (d) operating deficits incurred by Mortgagee in possession or reimbursed by Mortgagee to any receiver; and (e) all amounts paid to any public authority for the use or occupancy of any street, alley, or public way.

All Protective Advances shall constitute Secured indebtedness and shall become immediately due and payable without notice and with interest thereon until paid at the Default Rate. This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time the Mortgage is recorded.

4.06 Right of Possession. In any case in which Mortgagee has a right to institute foreclosure proceedings (whether or not the entire principal sum secured hereby becomes immediately due and payable or whether before or after the institution of foreclosure proceedings or whether before or after judgment thereunder and at all times until the confirmation of sale) and upon Mortgagee's request to the court, Mortgagor shall, immediately upon Mortgagee's demand, surrender to Mortgagee, and Mortgagee shall be entitled to take actual possession of the Property or any part thereof, personally or by its agent or attorneys. Mortgagee may enter upon and take and maintain possession or may apply to the court in which a foreclosure is pending to be placed in possession of all or any part of the Property, together with all documents, books, records, papers, and accounts of Mortgagor or the then owner of the Property relating thereto. Mortgagee may exclude Mortgagor, such owner, and any agents and servants from the Property. As attorney-in-fact or agent of Mortgagor or such owner, or in its own name Mortgagee may hold, operate, manage, and control all or any part of the Property and conduct the business

thereof, either personally or by its agents. Mortgagee shall have full power to use such measures, legal or equitable, as it may deem proper or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Property, including actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Mortgagor.

4.07 Priority of Rent Payments. Any rents, issues, deposits, profits, and avails of the Property received by Mortgagee after taking possession of the Property, or pursuant to any assignment to Mortgagee under the provisions of this Mortgage or any of the other Loan Documents, shall be applied as provided under applicable law or, in the case of a receivership, as the court may determine.

4.08 Appointment of Receiver. Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed shall appoint a receiver of the Property whenever Mortgagee when entitled to possession so requests. Such receiver shall have all powers and duties prescribed by applicable law, including the power to make leases to be binding upon all parties, including the Mortgagor after redemption, the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the mortgaged real estate after entry of a judgment of foreclosure. In addition, such receiver shall also have the following powers: (a) to extend or modify any then existing leases, which extensions and modifications may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Secured Indebtedness and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption, discharge of the mortgage indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser; and (b) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Property during the whole of the period of receivership. The court from time to time, either before or after entry of judgment of foreclosure, may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the Secured Indebtedness, or any amounts included in any judgment of foreclosure or supplemental judgment or other item for which Mortgagee is authorized to make a Protective Advance, and (b) the deficiency in case of a sale and deficiency.

4.09 Foreclosure Sale. In the event of any foreclosure sale, the Property may be sold in one or more parcels. Mortgagee may be the purchaser at any foreclosure sale.

4.10 Application of Proceeds. The proceeds of any foreclosure sale of the Property shall be distributed and applied in accordance with the Loan Documents, subject to applicable law.

4.11 Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in Restoring the Property shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as

the court may direct. In case of the foreclosure of this Mortgage, the court in its judgment may provide that the judgment creditor may cause a new or additional loss clause to be attached to each of said policies making the loss thereunder payable to said judgment creditor; and any such foreclosure judgment may further provide, unless the right of redemption has been waived, that in case of redemption under said judgment, pursuant to the Act, then, and in every such case, the redemptory may cause the preceding loss clause attached to each insurance policy to be canceled and a new loss clause to be attached thereto, making the loss thereunder payable to such redemptory. In the event of foreclosure sale, Mortgagee is hereby authorized, but not required, without the consent of Mortgagor, to assign or cause a receiver to assign any and all insurance policies to the purchaser at the sale, or to take such other action as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

4.12 Waiver of Statutory Rights.

(a) Mortgagor shall not apply for or avail itself of any appraisal, valuation, redemption, stay, extension, or exemption laws, or any so-called "moratorium laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, and Mortgagor hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all rights to have the Property and estates comprising the Property marshaled upon any foreclosure of the lien of this Mortgage, and agrees that any court having jurisdiction to foreclose such lien may order the Property sold in its entirety. Mortgagor further waives any and all rights of redemption from foreclosure and from sale under any order or decree of foreclosure of the lien created by this Mortgage, for itself and on behalf of: (i) any trust estate of which the Premises are a part, all beneficially interested persons; (ii) each and every person acquiring any interest in the Property or title to the Premises subsequent to the date of this Mortgage; and (iii) all other persons to the extent permitted by the provisions of laws of the State in which the Premises are located.

(b) Mortgagor hereby voluntarily and knowingly releases and waives any and all rights to retain possession of the Property after the occurrence of an Event of Default hereunder and any and all rights of redemption from sale under any order or decree of foreclosure (whether full or partial), pursuant to rights therein granted, as allowed under Section 15-1601(b) of the Act, and all rights of reinstatement under Section 15-1602 of the Act, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by or through Mortgagor, and on behalf of each and every person acquiring any interest in the Property subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption and reinstatement of Mortgagor and all such other persons are and shall be deemed to be hereby waived to the fullest extent permitted by applicable law or replacement statute. Mortgagor shall not invoke or utilize any such law or laws or otherwise hinder, delay, or impede the execution of any right, power, or remedy herein or otherwise granted or delegated to Mortgagee, but shall permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted.

(c) To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now or hereafter existing providing for (i) any appraisal before sale of any portion of the Mortgaged Property, (ii) any extension of the time for the enforcement of the collection of the indebtedness secured hereunder or the creation or extension of a period of redemption from any

sale made in collecting such debt, and (iii) exemption of the Property from attachment, levy or sale under execution or exemption from civil process. To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, exemption, extension or redemption, or requiring foreclosure of this Mortgage before exercising any other remedy granted hereunder and Mortgagor, for Mortgagor and its successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Property, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created.

(d) Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1202 of the Act) or residential real estate (as defined in Section 15-1219 of the Act).

V

MISCELLANEOUS

5.01 Notices. Any notice that Mortgagee or Mortgagor may desire or be required to give to the other shall be in writing and shall be mailed or delivered in the manner set forth in the Credit Agreement. Except as otherwise specifically required, notice of the exercise of any right or option granted to Mortgagee by this Mortgage is not required to be given.

5.02 Time of Essence. Time is of the essence of this Mortgage. The waiver of the options or obligations secured hereby shall not at any time thereafter be held to be abandonment of such rights.

5.03 Covenants Run with Land. All of the covenants of this Mortgage shall run with the land constituting the Premises.

5.04 GOVERNING LAW. THIS MORTGAGE SHALL BE CONSTRUED AND ENFORCED ACCORDING TO THE LAWS OF THE STATE OF ILLINOIS (WITHOUT REFERENCE TO CONFLICTS OF LAWS PROVISIONS THEREOF). TO THE EXTENT THAT THIS MORTGAGE MAY OPERATE AS A SECURITY AGREEMENT UNDER THE CODE, MORTGAGEE SHALL HAVE ALL RIGHTS AND REMEDIES CONFERRED THEREIN FOR THE BENEFIT OF A SECURED PARTY AS SUCH TERM IS DEFINED IN THE CODE.

5.05 Rights and Remedies Cumulative. All rights and remedies in this Mortgage are cumulative. The holder of the Notes and of every other obligation secured hereby may recover judgment, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security of any right or remedy.

5.06 Severability. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase, or word, or their application, in any circumstance, is held invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included.

5.07 Non-Waiver. Unless expressly provided in this Mortgage to the contrary, no consent or waiver, express or implied, by any party, to or of any breach or default by any other party shall be deemed a consent to or waiver of the performance by such defaulting party of any other obligations or the performance by any other party of the same, or of any other, obligations.

5.08 Headings. The headings of sections and paragraphs in this Mortgage are for convenience or reference only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions.

5.09 Grammar. As used in this Mortgage, the singular shall include the plural, and masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires.

5.10 Deed in Trust. If title to the Property or any part thereof is now or hereafter becomes vested in a trustee, any prohibition or restriction against the creation of any lien on the Property shall be construed as a similar prohibition or restriction against the creation of any lien on or security interest in the beneficial interest of such trust.

5.11 Successors and Assigns. This Mortgage shall be binding upon Mortgagor, its successors, assigns, legal representatives, and all other persons or entities claiming under or through Mortgagor. "Mortgagor," when used herein, shall include all such persons and entities and any others liable for the payment of the Secured Indebtedness, or any part thereof, whether or not they have executed the notes or this Mortgage. The word "Mortgagee," when used herein, shall include each of: (i) the Agent in its capacity as a Lender and as Agent for the Lenders; and (ii) the Lenders, together with each of their successors, assigns and legal representatives.

5.12 Mortgagee in Possession. Nothing contained in this Mortgage shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Property.

5.13 Compliance with Applicable Law. Anything elsewhere herein contained to the contrary notwithstanding,

(a) In the event that any provision in this Mortgage shall be inconsistent with any provision of applicable law, the provisions of applicable law shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with applicable law; and

(b) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under applicable law in the absence of said provision, Mortgagee shall be vested with the rights granted under applicable law to the full extent permitted by law.

(c) It is the intention of the parties to conform strictly to the usury laws, whether state or federal, that are applicable to the respective Loan Documents. All agreements between Mortgagor and Mortgagee, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid or agreed to be paid by Mortgagor for the use, forbearance or detention of the

money to be loaned under any of the Loan Documents, or for the payment or performance of any covenant or obligation contained herein or in the Loan Documents, exceed the maximum amount permissible under applicable federal or state usury laws. If under any circumstances whatsoever fulfillment of any provision hereof or of any Loan Document, at the time performance of such provision shall be due, shall involve exceeding the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity. If under any circumstances Mortgagor shall have paid an amount deemed interest by applicable law, which would exceed the highest lawful rate, such amount that would be excessive interest under applicable usury laws shall be applied to the reduction of the principal amount owing in respect of the Loans and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal and any other amounts due hereunder, the excess shall be refunded to Mortgagor. All sums paid or agreed to be paid for the use, forbearance or detention of the principal under the Loans shall, to the extent permitted by applicable law, and to the extent necessary to preclude exceeding the limit of validity prescribed by law, be amortized, prorated, allocated and spread from the date of this Mortgage until payment in full of the Secured Indebtedness so that the actual rate of interest on account of such principal amounts is uniform throughout the term hereof. The terms and provisions of this subparagraph shall control and supersede every other provision of any Loan Document.

5.14 Incorporation of Credit Agreement. The terms of the Credit Agreement are incorporated by reference herein as though set forth in full detail. In the event of any conflict between the terms and provisions of this Mortgage and the Credit Agreement, the terms and provisions of the Credit Agreement shall control.

5.15 Revolving Credit. This Mortgage is given to secure a "revolving credit" loan as defined and authorized under the Illinois Revised Statutes Chapter 17, Paragraphs 312.3, 3301.6b, and 6405, and Chapter 110, Paragraphs 15-207 and 15-302, and it shall secure not only presently existing indebtedness under the Note but also future advances (whether such advances are obligatory or to be made at the option of Mortgagee, or otherwise) as are made within twenty years from the date of this Mortgage, to the same extent and with the same priority as if such future advances were made on the date of the execution of this Mortgage and without regard as to whether or not there is any advance made at the time of execution of this Mortgage and without regard as to whether or not there is any indebtedness outstanding at the time any advance is made. This Mortgage secures all present and future loan disbursements made by the Lenders under the Notes, and all other sums from time to time owing to the Lenders by Mortgagor under the Loan Documents. The maximum principal amount which may be secured hereby at any one time is Four Hundred Million and No/100 Dollars (\$400,000,000.00), plus interest thereon, and any disbursements made by Mortgagee for the payment of taxes, special assessments, or insurance on the Property, with interest on such disbursements. The lien of this Mortgage, as to all such sums so advanced, shall have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the property secured by the Mortgage.

5.16 Maintenance of Encumbrance Amount. If at any time this Mortgage shall secure less than all of the principal amount of the Secured Indebtedness, it is expressly agreed that any repayments of the principal amount of the Secured Indebtedness shall not reduce the amount of

the encumbrance of this Mortgage until the encumbrance amount shall equal the principal amount of the Secured Indebtedness outstanding.

5.17 Subordination of Property Manager's Lien and Real Estate Broker's Lien. Any property management agreement for the Property entered into hereafter by Mortgagor with a property manager shall contain a "no lien" provision whereby the property manager waives and releases any and all mechanics' lien rights that the property manager may have pursuant to the Illinois Mechanics Lien Act, 770 ILCS 60/1 et seq. Such property management agreement or a short form thereof shall, at Mortgagee's request, be recorded with the Recorder of Deeds of the county where the Property is located. In addition, Mortgagor shall cause the property manager to enter into a subordination of management agreement with Mortgagee, in recordable form, whereby the property manager subordinates present and future lien rights and those of any party claiming by, through or under the property manager, to the lien of this Mortgage. Any agreement entered into hereafter by Mortgagor or any agent of Mortgagor with any "broker" (as defined in the Real Estate License Act of 1983, 225 ILCS 455/1 et seq.) that is an affiliate of Mortgagor for the purpose of selling, leasing or otherwise conveying an interest in the Property shall contain a "no lien" provision whereby such broker waives and releases any and all lien rights that such broker or anyone claiming by, through or under such broker may have pursuant to the Commercial Broker Lien Act, 770 ILCS 15/1 et seq. Mortgagor shall cause such broker to enter into a subordination agreement with Mortgagee, in recordable form, whereby such broker, on its own behalf and on behalf of any party claiming by, through or under such broker, subordinates present and future lien rights to the lien of this Mortgage.

5.18 Illinois Responsible Property Transfer Act. Mortgagor covenants and agrees that it shall execute and file a disclosure statement under the provisions of the Illinois Responsible Property Transfer Act, 765 ILCS 90/1 et seq., contemporaneously with this Mortgage.

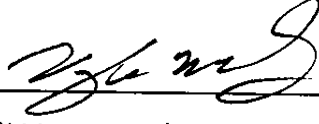
5.19 Maturity Date. The liabilities secured hereby shall have a final maturity date of January 5, 2003, subject to acceleration and extension as provided herein and in the Credit Agreement or elsewhere.

[Signature page follows]

UNOFFICIAL COPY 10369599

IN WITNESS WHEREOF, Mortgagor has duly signed and delivered this Mortgage as of the date first above written.

NATIONAL CASTINGS INC.,
a Delaware corporation

By: 

Name: VAUGHN MARY

Title: CHIEF EXECUTIVE OFFICER

Property of Cook County Clerk's Office

UNOFFICIAL COPY 10369599

STATE OF ILLINOIS)
) SS:
COUNTY OF _____)

This instrument was acknowledged before me on May 2, 2001, by
V A U G A N M A K A R Y, the ~~CHIEF EXECUTIVE OFFICER~~ of National Castings Inc., a Delaware
corporation, on behalf of said corporation.

Maureen B. Farrell
Notary Public
(Seal)



My commission expires: _____

Property of Cook County Clerk's Office

UNOFFICIAL COPY

10369599

EXHIBIT A LEGAL DESCRIPTION

COOK COUNTY, ILLINOIS

PARCEL 1:

THE SOUTH 187.00 FEET AND THAT PART OF THE EAST 33.00 FEET LYING NORTH OF THE SAID SOUTH 187.00 FEET OF THE FOLLOWING TRACT OF LAND:

THAT PART OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE CENTER LINE OF THE ELGIN ROAD (WEST LAKE STREET) AND EAST OF THE EAST LINE OF THE RIGHT OF WAY OF THE CHICAGO, HAMMOND AND WESTERN RAILROAD COMPANY, (EXCEPT THAT PART TAKEN FOR CONDEMNATION IN CASE NO. 81L14169), IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE NORTHERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILROAD COMPANY, AND EAST OF A LINE DRAWN PARALLEL WITH THE EAST LINE OF SAID SECTION 9, AND 1251.8 FEET WEST OF SAID EAST LINE OF SECTION 9, (EXCEPT THAT PART OF SAID LAST DESCRIBED LAND CONVEYED BY HOMER C. HUNT AND WIFE TO THE CHICAGO, HAMMOND AND WESTERN RAILROAD COMPANY BY DEED DATED JUNE 17, 1897 AND RECORDED JUNE 19, 1897 AS DOCUMENT 2554182, IN BOOK 5906, OF RECORDS, AT PAGE 443), ALL IN COOK COUNTY, ILLINOIS.

PROPERTY ADDRESS: 110 N. 25th Avenue
Melrose Park, Illinois

PROPERTY TAX NO.: 15-04-412-008 and
15-09-201-001

UNOFFICIAL COPY

EXHIBIT B
PERMITTED EXCEPTIONS

10369599

1. Real estate taxes and assessments not yet due and payable.
2. The title exception numbers set forth below that are listed in Commitment for Title Insurance Number CC200933, dated May 2, 2001, issued by First American Title Insurance Company for the real property described on Exhibit A to this Mortgage.

Property of Cook County Clerk's Office

Returned to

Elizabeth Luna
First American Title Insurance
30 North LaSalle
Suite 310
Chicago, IL 60602

