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Property of Cook County Clerk's Office

Cook County, Illinois

FIRST LIEN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FINANCING STATEMENT

BY

RABBIT STEEL CORPORATION,
Mortgagor,

TO

JPMORGAN CHASE BANK, N.A.,
as Collateral Agent, Mortgagee,

Relating to Premises at:

Cook County, Illinois

DATED: As of June 29, 2007

This instrument was prepared by

Chris Garcia
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

After Recording Return To:
LandAmerica Financial Group, Inc.
150 Federal Street, Suite 200
Boston, MA 02210
Attention: Gayle A. Bourdeau

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FIRST LIEN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT

THIS FIRST LIEN MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT ("First Lien Mortgage") is made as of June 29, 2007, by RABBIT STEEL CORPORATION, a Delaware corporation, with its principal office at 281 E. 155th Street, Harvey, Illinois 60661 ("Mortgagor"), to JPMORGAN CHASE BANK, N.A., with an office at 1111 Fannin Street, Houston Texas 77007, as mortgagee, assignee and secured party, in its capacity as Collateral 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 at 281 E. 155th Street, Harvey, in the County of Cook and State of Illinois (the "State"), and more fully described in Exhibit A attached hereto (the "Premises"), which Premises forms a portion of the Property described below;

WHEREAS, on the date hereof, Mortgagor entered into that certain Credit Agreement by and among Mortgagor, Niagara Corporation, Niagara LaSalle Corporation, LaSalle Steel Company (collectively, the "Borrowers"), each of the financial institutions from time to time party thereto named therein as lenders (the "Lenders"), the Agent, the other Credit Parties named therein, and J.P. Morgan Securities Inc., as sole lead arranger and bookrunner (as the same may be amended, restated, modified or otherwise supplemented and in effect from time to time, hereinafter the "Credit Agreement"), under which the Lenders agreed to make available to the Borrowers certain loans and other financial accommodations; capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Credit Agreement and the Guaranty and Security Agreement, as applicable; and

WHEREAS, Mortgagor wishes to provide further assurance and security to the Agent and the Secured Parties and as a condition to the Agent and the Lenders executing the Credit Agreement, the Agent and the Lenders are requiring (1) 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), subject to the Permitted Liens (as such term is defined in the Credit Agreement), to secure all of Mortgagor's obligations under the Credit Agreement, this First Lien Mortgage and the Loan Documents, and (2) the granting by Mortgagor of Mortgages that create security interests in certain mortgaged properties other than the Property to secure the performance of Mortgagor's Obligations (the "Other Mortgages and Security Documents").

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II. THE GRANT

NOW, THEREFORE, in order to secure the payment of the Obligations of Mortgagor, including without limitation, the Secured Hedging Obligations of Mortgagor and the obligations of Mortgagor under the Credit Agreement, this First Lien Mortgage and the other Loan Documents that may now or hereafter become owing from Mortgagor to Mortgagee and the other Secured Parties (collectively, the "Secured Indebtedness"), 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 successors and assigns (for the benefit of the Secured Parties) forever (and grants to Mortgagee and its successors and assigns (for the benefit of the Lenders) forever a continuing security interest in and to) all of Mortgagor's estate, right, claim and interest in and to the Premises, together with all of Mortgagor's estate, right, claim and interest in and to 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 are 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 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 claims, demands, rights, 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 right, title and interest of Mortgagor in any and all leases, subleases, management agreements, arrangements, concessions or agreements, written or oral,

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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, avails, 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 granted to Mortgagee pursuant to Section 3.8 hereof;

(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 tangible personal property ("Personal Property") now or hereafter owned by Mortgagor and located in, on or at the Premises or the Improvements and used or useful in connection therewith, including, without limitation:

(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;

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(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; and

(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, unto the Mortgagee, its successors and assigns, forever, for the uses and purposes herein set forth, subject, however, only to the Permitted Liens.

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

If and when the Secured Indebtedness has been paid in full and Mortgagor has performed and observed all of the agreements, terms, conditions, provisions and warranties contained herein and in the Credit Agreement and in all of the other Loan Documents applicable to Mortgagor and there exist no commitments of the Lenders under the Loan Documents which could give rise to Secured Indebtedness, then this First Lien 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

3.1 Payment of Indebtedness. The Mortgagor shall pay promptly and when due all amounts owing by the Mortgagor in respect of the Secured Indebtedness at the times and in the manner provided in the Credit Agreement, the Notes, this First Lien Mortgage, or any of the other Loan Documents. The loans which are the subject of the Credit Agreement bear interest at variable rates as provided in the Credit Agreement, and the latest final maturity date of such loans is June 29, 2014.

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3.2 Impositions. Except as otherwise permitted under Section 4.7 of the Credit Agreement, Mortgagor shall pay prior to delinquency, 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 nongovernmental, 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 Mortgagor's interest therein.

3.3 Payment of Impositions by Mortgagee. Upon the occurrence and during the continuance of an Event of Default (as hereinafter defined), Mortgagee is hereby authorized to make or advance, in the place and stead of Mortgagor, any payment relating to Impositions. 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 properly contested by Mortgagor in accordance with Section 4.7 of the Credit Agreement, 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 Section 3.3, whenever, in Mortgagee's judgment and discretion, such advance is necessary to protect the full security intended to be created by this First Lien Mortgage. All such advances and indebtedness authorized by this Section 3.3 shall constitute Secured Indebtedness and shall be repayable by Mortgagor upon demand with interest at the Base Rate plus the Applicable Margin applicable to Base Rate Loans plus two percent (2%) per annum (the "Default Rate").

3.4 Condemnation and Eminent Domain. Mortgagor shall give Mortgagee prompt notice of all proceedings, instituted or, to Mortgagor's knowledge, 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. 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 to participate in such proceeding and control the same and to be represented therein by counsel of its own choice, and Mortgagor will deliver, or cause to be delivered to Mortgagee such instruments as may be requested by it from time to time to permit such participation or control. 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, during the continuance of an Event of Default, to collect and receive from the condemnation authorities all Awards and is further authorized to give appropriate receipts and acquittances. Such Award or payment, less the amount of any expenses incurred in litigating, arbitrating, compromising, or settling any claim arising out of a Taking, shall be applied in the same manner as if they were proceeds from a casualty loss covered by insurance in accordance with Section 1.5 and 4.6 of the Credit Agreement, and in accordance with Section 3.5 hereafter.

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3.5 Restoration. In the event there shall be casualty loss or a Taking, and Mortgagee elects or is required to cause the applicable insurance proceeds or Award to be applied to restore, repair or replace the Property ("Restoration"), all such insurance proceeds or Award shall be collected and disbursed in accordance with the terms and provisions of the Credit Agreement (and, if applicable and not specifically provided for in the Credit Agreement, in the event of collection by Mortgagee and disbursement to Mortgagor in accordance with such procedures as are customarily utilized by construction lenders to insure the lien free completion of construction projects).

3.6 Maintenance of Property. Mortgagor shall:

(a) promptly repair, restore, replace or rebuild any material 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 except the lien of this First Lien Mortgage and Permitted Liens;

(b) keep the Property in good condition and repair (ordinary wear and tear excepted), without waste, and free from mechanics', materialmen's or like liens or claims except for Permitted Liens; 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; provided, however, that Mortgagee shall not unreasonably withhold consent to such alterations as shall increase the value of the Property.

3.7 Prohibited Liens; Prohibited Transfers.

(a) Except as otherwise permitted in Section 5.2 of the Credit Agreement, Mortgagor shall not create, suffer, or permit to be created or filed against the Property any Lien superior or inferior to the lien created by this First Lien Mortgage.

(b) Except as otherwise provided in Section 5.4 of the Credit Agreement, Mortgagor may not sell, lease or convey all or any part of the Property or any interest therein.

3.8 Assignment of Leases and Rents.

(a) All right, title, and interest of Mortgagor in and to all Leases and Rents are hereby transferred and assigned simultaneously herewith to Mortgagee. Although it is the intention of the parties that the assignment contained in this paragraph shall be a present assignment, 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 and be continuing.

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(b) Following the occurrence of an Event of Default and during the continuance thereof, (a) Mortgagee shall have the rights and powers as are provided herein, (b) this First Lien Mortgage shall constitute a direction to each lessee under the Leases and each guarantor thereof 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.

(c) 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 reasonable costs and expenses incurred by Mortgagee in complying with such covenants, agreements, and provisions shall constitute Secured Indebtedness and shall be payable upon demand with interest payable at the Default Rate.

(d) 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 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 to Mortgagee, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall constitute Secured Indebtedness and shall be payable upon demand with interest payable at the Default Rate.

3.9 Uniform Commercial Code.

(a) This First Lien Mortgage constitutes a "security agreement" as that term is used in the Uniform Commercial Code in the State (the "Code") with respect to any part of the Property which may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate (including all replacements thereof, additions thereto and substitutions therefor) (collectively, the "Personal Property Collateral"). All of Mortgagor's right, title and interest in the Personal Property Collateral is hereby assigned to Mortgagee to secure the payment of the Secured Indebtedness.

(b) At any time after an Event of Default has occurred and shall be 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 Personal Property 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

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under the Code shall not be construed as a waiver of any of the other remedies of the Mortgagee, including having the Personal Property Collateral deemed part of the realty upon any foreclosure so long as any part of the Secured Indebtedness remains unsatisfied.

(c) This First Lien Mortgage is intended to be a “fixture filing” for purposes of the Code with respect to the items of Property which are or may become fixtures relating to the Premises upon recording of this First Lien Mortgage in the real estate records of the proper office. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are set forth in Section 5.1 hereof.

(d) The Mortgagor hereby directs that the Mortgagee shall cause to be recorded in the county in which the Premises are located, as well as with the applicable offices of the State, such financing statements and fixture filings as shall be necessary in order to perfect and preserve the priority of Mortgagee’s lien upon the Personal Property Collateral.

3.10 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 of the Obligations, without affecting the liability of any party to any of the Notes, this First Lien 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 Obligations. Such agreement shall not in any way release or impair the lien created by this First Lien Mortgage or reduce or modify the liability of any person or entity obligated personally to repay the Obligations, but shall extend the lien created by this First Lien Mortgage as against the title of all parties having any interest in the Property.

3.11 Further Assurances. Mortgagor agrees that, upon the 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 First Lien Mortgage. 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

4.1 Event of Default. The occurrence of an “Event of Default,” as such term is defined in the Credit Agreement, shall constitute an “Event of Default” under this First Lien Mortgage.

4.2 Foreclosure and Remedies. When all or any part of the Secured Indebtedness shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to

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foreclose the lien hereof for such Secured Indebtedness or part thereof and/or exercise any right, power or remedy provided in this First Lien Mortgage or any of the other Loan Documents.

4.3 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.

4.4 Expenses. In any proceeding to foreclose or partially foreclose the lien of this First Lien Mortgage, there shall be allowed and included, as additional indebtedness in the judgment or decree resulting therefrom, all expenses paid or incurred by or on behalf of Mortgagee in the protection of the Property and the exercise of Mortgagee's rights and remedies hereunder, which expenses may be estimated as to items to be expended after entry of any judgment or decree of foreclosure. Such expenses shall include: reasonable 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, and any similar data and assurances with respect to title to the Property as Mortgagee may deem reasonably necessary either to prosecute any 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 such expenses shall be due and payable by Mortgagor upon demand with interest thereon at the Default Rate.

4.5 Mortgagee's Performance of Mortgagor's Obligations. Following the occurrence of an Event of Default and during the continuance thereof, 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 (a) make any payment or perform any act herein, in the Notes or any other Loan Document which is required of Mortgagor (whether or not Mortgagor is personally liable therefor) in any form and manner deemed expedient to Mortgagee; (b) make full or partial payments of principal or interest on any permitted prior mortgage or encumbrance and purchase, discharge, compromise or settle any tax lien or other prior lien on title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises, or contest any Impositions; and (c) 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

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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 reasonable attorneys' fees, shall constitute Secured Indebtedness, and shall become due and payable upon demand and with interest thereon at the Default Rate. Mortgagee, in making any payment hereby authorized: (x) for the payment of Impositions, may do so according to any bill or statement, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (y) 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 (z) 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.

4.6 Right of Possession. Following the occurrence of an Event of Default and during the continuance thereof, 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, 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.

4.7 Application of Income Received by Mortgagee. Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it, shall have full power to use and apply the avails, rents, issues and profits of the Property to the payment of or on account of the following, in such order as Mortgagee may determine: (i) to the payment of the operating expenses of the Property including cost of management thereof, established claims for damages, if any, and premiums on insurance hereinabove authorized; (ii) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises; (iii) to all other items which may under the terms hereof constitute Secured Indebtedness additional to that evidenced by the Notes, with interest thereon as provided herein or in the other Loan Documents; and (iv) to all principal and interest remaining unpaid on the Notes.

4.8 Appointment of Receiver. Upon, or at any time after, the filing of a complaint to foreclose (or partially foreclose) this First Lien Mortgage, the court in which such complaint is filed shall, upon petition by Mortgagee, appoint a receiver for the Property. Such appointment may be made either before or after foreclosure sale, without notice, without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if

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any, liable for the payment of the Secured Indebtedness, without regard to the value of the Property at such time and whether or not the same is occupied as a homestead, and without bond being required of the applicant. Mortgagee or any employee of Mortgagee thereof may be appointed as such receiver. Such receiver shall have all powers and duties prescribed by applicable law, including the power to take possession, control, and care of the Property and to collect all rents thereof during the pendency of such foreclosure suit and, in the event of a sale and deficiency, where Mortgagor has not waived its statutory rights of redemption, during the full statutory period of redemption, as well as during any further times when Mortgagor or its devisees, legatees, heirs, executors, administrators, legal representatives, successors, or assigns, except for the intervention of such receiver, would be entitled to collect such rents. 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 indebtedness secured hereby, or by any decree foreclosing this First Lien Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale, and (b) the deficiency in case of a sale and deficiency.

4.9 Foreclosure Sale. In the event of any foreclosure sale, the Property may be sold in one or more parcels. Mortgagee may bid for and acquire the Property or any part thereof at any sale made under or by virtue of this First Lien Mortgage and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting against the purchase price the unpaid amounts due and owing in respect of any Loans, Obligations or any other liabilities after deducting from the sales price the expenses of the sale and the costs of the action or proceedings and any other sums that Mortgagee is authorized to deduct under this First Lien Mortgage or applicable law.

4.10 Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Property shall be distributed and applied in the following order of priority: first, to all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 4.4 above; second, to all other items which may under the terms hereof constitute Secured Indebtedness additional to that evidenced by the Notes, with interest thereon as provided herein or in the other Loan Documents; third, to all principal and interest remaining unpaid on the Notes; and fourth, any surplus to Mortgagor, its successors or assigns, as their rights may appear or to any other party legally entitled thereto.

4.11 Adjournment of Foreclosure Sale. Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of this First Lien Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales, and, except as otherwise provided by any applicable provisions of law, Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

4.12 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 repairing, restoring, replacing or rebuilding any portion of the Property, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such

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proceedings, and the balance, if any, shall be paid as the court may direct. In case of the foreclosure of this First Lien 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, 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.

4.13 Waiver of Statutory Rights. 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 First Lien 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 First Lien 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 First Lien Mortgage, for itself and on behalf of: (i) any trust estate of which the Premises are a part; (ii) all beneficially interested persons; (iii) each and every person acquiring any interest in the Property or title to the Premises subsequent to the date of this First Lien Mortgage; and (iv) all other persons to the extent permitted by the provisions of laws of the State in which the Premises are located.

4.14 Effect of Judgment. The obtaining of any judgment by Mortgagee and any levy of any execution under any judgment upon the Property shall not affect in any manner or to any extent the Lien of this First Lien Mortgage upon the Property or any part thereof, or any Liens, powers, rights and remedies of Mortgagee hereunder, but such Liens, powers, rights and remedies shall continue unimpaired as before until the judgment or levy is satisfied.

V.

MISCELLANEOUS

5.1 Notices. Any notice or other communication required shall be in writing addressed to the respective party as set forth below and shall be effective and be deemed to have been received (i) if delivered by hand, upon personal delivery, (ii) if delivered by overnight courier service, 1 Business Day after delivery to such courier service, (iii) if delivered by mail, when deposited in the mails, (iv) if delivered by facsimile (other than to post to an E-System pursuant to Section 8.2(a)(ii) or 8.2(a)(iii) of the Credit Agreement), upon sender's receipt of confirmation of proper transmission, and (v) if delivered by posting to any E-System, on the later of the date of such posting and the date access to such posting is given to the recipient thereof in accordance with the standard procedures applicable to such E-System.

Notices shall be addressed as follows:

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(i) If to Mortgagor:

Rabbit Steel Corporation
c/o LaSalle Steel Company
1412 E. 150th Street
Hammond, IN 46327
Attention: Anthony J. Verkruyse
Facsimile: (219) 853-6095

with copies to:

KNIA Holdings, Inc.
c/o Kohlberg & Company, L.L.C.
111 Radio Circle
Mount Kisco, New York 10549
Attention: Christopher Lacovara and Christopher Anderson
Telecopier No.: (914) 244-0689

and

Ropes & Gray LLP
One International Place
Boston, Massachusetts 02115
Attention: Tom Draper
Telecopier No.: (617) 951-7050

(ii) If to Mortgagee:

JPMorgan Chase Bank, N.A.
Agent Bank Services Group
1111 Fannin Street
10th Floor
Houston, Texas 77007
Attn: Paula Khoury
Facsimile: (713) 427-6307

With a copy to:

JPMorgan Chase Bank, N.A.
270 Park Avenue, 15th Floor
15th Floor
New York, New York 10017
Attn: Linda Meyer

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Telephone: (212) 270-2413

Facsimile: (212) 270-5100

5.2 Time of Essence. Time is of the essence of this First Lien Mortgage.

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

5.4 GOVERNING LAW. **THIS FIRST LIEN MORTGAGE SHALL BE GOVERNED BY AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES, EXCEPT TO THE EXTENT ILLINOIS LAW NECESSARILY APPLIES BECAUSE THE PROPERTY IS LOCATED IN ILLINOIS.**

5.5 Severability. If any provision of this First Lien 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 First Lien Mortgage shall be construed as if such invalid part were never included.

5.6 Non-Waiver. Unless expressly provided in this First Lien 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.

5.7 Headings. The headings of sections and paragraphs in this First Lien 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.

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

5.9 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 or security interest in the beneficial interest of such trust.

5.10 Successors and Assigns. This First Lien Mortgage shall be binding upon Mortgagor, its successors, assigns, legal representatives, and all other persons or entities claiming under or through Mortgagor. 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.

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5.11 Counterparts. This First Lien Mortgage may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one First Lien Mortgage.

5.12 Mortgagee in Possession. Nothing contained in this First Lien 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 Incorporation of Credit Agreement; No Conflicts. 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 Section 3.9 of this First Lien Mortgage and the Guaranty and Security Agreement, the terms and provisions of the Guaranty and Security Agreement shall control; in the event of a conflict between any other term or provision of this First Lien Mortgage and the Credit Agreement, the terms and provisions of the Credit Agreement shall control.

5.14 Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Agent pursuant to this First Lien Mortgage and the exercise of any right or remedy by the Agent hereunder are subject to the provisions of the Intercreditor Agreement, dated as the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), among Mortgagor, the other grantors a party thereto, the Agent, and General Electric Capital Corporation, and certain other persons which may be or become parties thereto or become bound thereto from time to time. In the event of any conflict between the terms of the Intercreditor Agreement and this First Lien Mortgage, the terms of the Intercreditor Agreement shall govern and control.

5.15 Additional Provisions. Notwithstanding anything contained herein to the contrary:

(a) Where any provision of this First Lien Mortgage is inconsistent with any provision of Illinois law regulating the creation or enforcement of a lien or security interest in real or personal property including, but not by way of limitation, the Illinois Mortgage Foreclosure Law (765 ILCS 5/15-1101 et seq.), as amended, modified and/or replaced from time to time, the provisions of Illinois law shall take precedence over the provisions of this First Lien Mortgage, but shall not invalidate or render unenforceable any other provisions of this First Lien Mortgage that can be construed in a manner consistent with Illinois law.

(b) The term "Secured Indebtedness" as defined in this First Lien Mortgage shall include, without limitation, any judgment(s) or final decree(s) rendered to collect any money obligations of Mortgagor to Mortgagee and/or the Lenders and/or to enforce the performance or collection of all rights, remedies, obligations, covenants, agreements, conditions, indemnities, representations, warranties, and other liabilities of the Mortgagor under this First Lien Mortgage or any or all of the other Loan Documents. The obtaining of any judgment by Mortgagee and/or the Lenders (other than a judgment foreclosing this First Lien Mortgage) and any levy of any execution under any such judgment upon the Property shall not affect in any

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manner or to any extent the lien of this First Lien Mortgage upon the Property or any part thereof, or any liens, powers, rights and remedies of Mortgagee and/or the Lenders hereunder, but such liens, powers, rights and remedies shall continue unimpaired as before until the judgment or levy is satisfied. Furthermore, Mortgagor acknowledges and agrees that the Secured Indebtedness is secured by the Property and various other collateral at the time of execution of this First Lien Mortgage. Mortgagor specifically acknowledges and agrees that the Property, in and of itself, if foreclosed or realized upon would not be sufficient to satisfy the outstanding amount of the Secured Indebtedness. Accordingly, Mortgagor acknowledges that it is in Mortgagor's contemplation that the other collateral pledged to secure the Secured Indebtedness may be pursued by Mortgagee in separate proceedings in the various states and counties where such collateral may be located and additionally that Mortgagor will remain liable for any deficiency judgments in addition to any amounts Mortgagee and/or the Lenders may realize on sales of other property or any other collateral given as security for the Secured Indebtedness. Specifically, and without limitation of the foregoing, it is agreed that it is the intent of the parties hereto that in the event of a foreclosure of this First Lien Mortgage, that the Secured Indebtedness shall not be deemed merged into any judgment of foreclosure, but shall rather remain outstanding to the fullest extent permitted by applicable law.

(c) To the extent the laws of the State of Illinois limit (i) the availability of the exercise of any of the remedies set forth in this First Lien Mortgage, including without limitation the right of Mortgagee and the Lenders to exercise self-help in connection with the enforcement of the terms of this First Lien Mortgage, or (ii) the enforcement of waivers and indemnities made by Mortgagor, such remedies, waivers, or indemnities shall be exercisable or enforceable, any provisions in this First Lien Mortgage to the contrary notwithstanding, if, and to the extent, permitted by the laws in force at the time of the exercise of such remedies or the enforcement of such waivers or indemnities without regard to the enforceability of such remedies, waivers or indemnities at the time of the execution and delivery of this First Lien Mortgage.

(d) The total principal amount of Secured Indebtedness secured by this First Lien Mortgage shall not exceed One Hundred Sixty-Five Million Dollars (\$165,000,000), plus interest thereon, and any and all disbursements made by Mortgagee for the payment of taxes, special assessments or insurance on the Property, with interest on such disbursements. It is expressly understood and agreed that the maximum aggregate amount of Secured Indebtedness secured hereby shall not exceed Three Hundred Thirty Million Dollars (\$330,000,000).

(e) Even though the lien of this First Lien Mortgage shall be released from the Property subject to Article I, any of the terms and provisions of this First Lien Mortgage that are intended to survive shall nevertheless survive the release or satisfaction of this First Lien Mortgage whether voluntarily granted by Mortgagee or the Lenders, as a result of a judgment upon judicial foreclosure of this First Lien Mortgage or in the event a deed in lieu of foreclosure is granted by Mortgagor to Mortgagee and/or the Lenders.

(f) Mortgagor acknowledges that this First Lien Mortgage is one of a number of Other Mortgages and Security Documents that secure the Obligations. Mortgagor agrees that the lien of this First Lien Mortgage shall be absolute and unconditional and shall not in any

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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 the Mortgagee of any security for or guarantees of any of the Obligations hereby secured, or by any failure, neglect or omission on the part of Mortgagee to realize upon or protect any Obligation or indebtedness hereby secured or any collateral security therefor including the Other Mortgages and Security Documents. 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 disposition of any of the Obligations secured or of any of the collateral security thereof, including the Other Mortgages and Security Documents or of any guarantee thereof, and Mortgagee may at its discretion foreclose, exercise any power of sale, or exercise any other remedy available to it under any or all of the Other Mortgages and Security Documents without first exercising or enforcing any of its rights and remedies hereunder. Such exercise of Mortgagee's rights and remedies under any or all of the Other Mortgages and Security Documents shall not in any manner impair the indebtedness hereby secured or the lien of this First Lien Mortgage and any exercise of the rights or remedies of Mortgagee hereunder shall not impair the lien of any of the Other Mortgages and Security Documents 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 and Security Documents separately or concurrently and in any order that it may deem appropriate and waives any rights of subrogation.

(g) The proceeds of the indebtedness secured hereby referred to herein shall be used solely for business purposes and in furtherance of the regular business affairs of Mortgagor, and the entire principal obligation secured by this First Lien Mortgage constitutes (i) a "business loan" as that term is defined in, and for all purposes of, 815 ILCS 205/4 (1) (c), and (ii) a "loan secured by a mortgage on real estate" within the purview and operation of 815 ILCS 205/4(1)(l).

(h) Pursuant to the terms of the Collateral Protection Act (815 ILCS 180/1 et seq.), Mortgagor is hereby notified that unless Mortgagor provides Mortgagee with evidence of the insurance coverage required by this First Lien Mortgage, Mortgagee may purchase insurance at Mortgagee's expense to protect Mortgagee's interests in the Premises, which insurance may, but need not, protect the interests of Mortgagor. The coverage purchased by Mortgagee may not pay any claim made by Mortgagor or any claim made against Mortgagor in connection with the Premises. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained the insurance as required hereunder. If Mortgagee purchases insurance, the Mortgagor will be responsible for the costs of such insurance, including interest and any other charges imposed in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the total obligation secured hereby. The costs of such insurance may be greater than the cost of insurance Mortgagor may be able to obtain for itself.

(i) Illinois Mortgage Foreclosure Law. It is the intention of Mortgagor and Mortgagee that the enforcement of the terms and provisions of this First Lien Mortgage shall be

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accomplished in accordance with the Illinois Mortgage Foreclosure Law (the “Act”), 735 ILCS 5/15-1101 et seq., and with respect to such Act, Mortgagor agrees and covenants that:

(1) Mortgagor and Mortgagee shall have the benefit of all of the provisions of the Act, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the Act which is specifically referred to herein may be repealed, to the extent permitted by applicable law, Mortgagee shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference;

(2) Wherever provision is made in this First Lien Mortgage for insurance policies to bear mortgagee clauses or other loss payable clauses or endorsements in favor of Mortgagee, or to confer authority upon Mortgagee 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, from and after the entry of judgment of foreclosure, all such rights and powers of the Mortgagee shall continue in the Mortgagee as judgment creditor or mortgagee until confirmation of sale;

(3) In addition to any provision of this First Lien Mortgage authorizing the Mortgagee to take or be placed in possession of the Property, or for the appointment of a receiver, Mortgagee shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Act, to be placed in the possession of the 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 First Lien Mortgage, all rights, powers, immunities, and duties and provisions set forth in Sections 15-1701 and 15-1703 of the Act;

(4) Mortgagor acknowledges that the Property does not constitute “agricultural real estate”, as said term is defined in Section 15-1201 of the Act or “residential real estate” as defined in Section 15-1219 of the Act;

(5) Mortgagor hereby voluntarily and knowingly waives its statutory rights to reinstatement and redemption pursuant to 735 ILCS Section 5/15-1301(b):

(6) 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 the First Lien Mortgage, or the Credit Agreement or by the Act (collectively “Protective Advances”), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act herein below referred to:

(a) all advances by Mortgagee in accordance with the terms of the First Lien Mortgage or the Credit Agreement to: (i) preserve, maintain, repair, restore or rebuild the improvements upon the Property; (ii) preserve the lien of the First Lien Mortgage or

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the priority thereof; or (iii) enforce the First Lien Mortgage, as referred to in Subsection (b) (5) of Section 5/15-1302 of the Act;

(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 encumbrances; (ii) real estate taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Property or any part thereof; (iii) other obligations authorized by the First Lien 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, as referred to in Section 5/15-1505 of the Act;

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

(d) attorneys' fees and other costs incurred: (i) in connection with the foreclosure of the First Lien Mortgage as referred to in Section 5/15-1504(d)(2) and 5/15-1510 of the Act; (ii) in connection with any action, suit or proceeding brought by or against the Mortgagee for the enforcement of the First Lien Mortgage or arising from the interest of the Mortgagee hereunder; or (iii) in preparation for or in connection with the commencement, prosecution or defense of any other action related to the First Lien Mortgage or the Property;

(e) Mortgagee's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearings as referred to in Section 5/15-1508 (b) (1) of the Act;

(f) expenses deductible from proceeds of sale as referred to in Section 5/15-1512 (a) and (b) of the Act; and

(g) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (i) if the Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof; (ii) if Mortgagor's interest in the Property is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (iii) 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 Property imposed by Section 5/15-1704 (c) (1) of the Act; (iv) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments deemed by Mortgagee to be required 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; (vi) shared or common expense assessments payable to any association or corporation in which the owner of the Property is a member in any way affecting the Property; (vii) if the loan secured hereby is a construction loan, costs incurred by Mortgagee for demolition, preparation for and

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completion of construction, as may be authorized by the applicable commitment, loan agreement or other agreement; (viii) payments required to be paid by Mortgagor or Mortgagee pursuant to any lease or other agreement for occupancy of the Property; and (ix) if the First Lien Mortgage is insured, payment of FHA or private mortgage insurance required to keep such insurance in force;

(7) All Protective Advances shall be additional indebtedness secured by this First Lien 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 Note; and

(8) This First Lien Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this First Lien Mortgage is recorded pursuant to Subsection (b) (5) of Section 5/15-1302 of the Act.

(9) Where any provision of this First Lien Mortgage is inconsistent with any provision of Illinois law regulating the creation or enforcement of a lien or security interest in real or personal property including, but not by way of limitation, the Act, the provisions of Illinois law shall take precedence over the provisions of this First Lien Mortgage, but shall not invalidate or render unenforceable any other provisions of this First Lien Mortgage that can be construed in a manner consistent with Illinois law.

5.16 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this First Lien Mortgage. In the event an ambiguity or question of intent or interpretation arises, this First Lien Mortgage shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of this First Lien Mortgage.

(SIGNATURE PAGE FOLLOWS)

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

RABBIT STEEL CORPORATION,
a Delaware corporation

By: *Anthony J. Verkruse*
Name: Anthony J. Verkruse
Title: Vice President, Secretary and Treasurer

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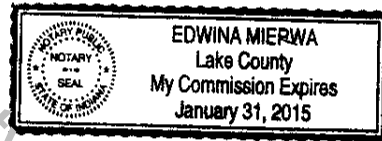
STATE OF Indiana)
)
COUNTY OF Lake) SS

I, Edwina Mierwa a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Anthony J. Verkruyse, personally known to me to be the VP, Secretary & Treasurer of RABBIT STEEL CORPORATION, a Delaware corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as VP, Secretary & Treasurer of said corporation as his free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 27 day of June, 2007.

Edwina Mierwa
Notary Public

My Commission Expires: 01-31-2015



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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

BLOCKS 1 AND 3 IN THE BUDA COMPANY'S SUBDIVISION OF PART OF THE COUNTY CLERK'S SUBDIVISION OF UNSUBDIVIDED LANDS IN THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THAT PART OF SAID BLOCK 1, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF BLOCK 1 WITH A LINE 440.86 FEET NORTH FROM AND PARALLEL WITH THE SOUTH LINE OF SAID NORTHEAST 1/4 OF SECTION 17, SAID POINT BEING 230.80 FEET NORTHEASTERLY OF THE SOUTHWEST CORNER OF BLOCK 1, AS MEASURED ALONG SAID NORTHWESTERLY LINE OF BLOCK 1; THENCE EAST ALONG SAID LINE 440.86 FEET NORTH FROM AND PARALLEL WITH THE SOUTH LINE OF THE NORTHEAST 1/4 OF SECTION 17, A DISTANCE OF 265.96 FEET TO THE NORTHEAST CORNER OF A BRICK BUILDING; THENCE SOUTH ALONG A LINE FORMING AN ANGLE OF 89 DEGREES 41 MINUTES 50 SECONDS FROM EAST TO SOUTH WITH LAST DESCRIBED PARALLEL LINE, A DISTANCE OF 27.07 FEET; THENCE EAST ALONG A STRAIGHT LINE, A DISTANCE OF 517.81 FEET TO A POINT 416.53 FEET NORTH FROM THE SAID SOUTH LINE OF THE NORTHEAST 1/4 OF SECTION 17, AS MEASURED AT RIGHT ANGLES TO SAID SOUTH LINES; THENCE NORTH ALONG A STRAIGHT LINE, PERPENDICULAR TO LAST DESCRIBED LINE A DISTANCE OF 42.07 FEET; THENCE EAST ALONG A STRAIGHT LINE, PERPENDICULAR TO THE LAST DESCRIBED LINE, A DISTANCE OF 92.49 FEET; THENCE SOUTHEASTERLY ALONG A STRAIGHT LINE, FORMING AN ANGLE EAST TO THE SOUTHEAST OF 8 DEGREES 45 MINUTES 17 SECONDS WITH LAST DESCRIBED LINE, DISTANCE OF 45.03 FEET; THENCE SOUTHEASTERLY ALONG A CURVED LINE, CONVEX TO THE NORTHEAST, TANGENT TO LAST DESCRIBED STRAIGHT LINE AND HAVING A RADIUS OF 383.07 FEET, A DISTANCE OF 225.42 FEET TO A POINT ON THE NORTHEASTERLY LINE OF SAID BLOCK 1, SAID POINT BEING 38.06 FEET NORTHWESTERLY OF THE MOST EASTERLY CORNER OF SAID BLOCK 1, AS MEASURED ALONG SAID NORTHEASTERLY LINE; THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE OF BLOCK 1, A DISTANCE OF 846.82 FEET; THENCE CONTINUING ALONG SAID NORTHEASTERLY LINE OF BLOCK 1, BEING A CURVED LINE CONVEX TO THE SOUTHWEST AND HAVING A RADIUS OF 1306.57 FEET A DISTANCE OF 309.26 FEET TO THE NORTHERLY CORNER OF SAID BLOCK 1; THENCE SOUTHWESTERLY ALONG THE AFORESAID NORTHWESTERLY LINE OF BLOCK 1, BEING ALSO THE EASTERLY LINE OF COMMERCIAL AVENUE, A DISTANCE OF 774.36 FEET TO THE POINT OF BEGINNING; AND ALSO EXCEPT THAT PART OF SAID BLOCK 1, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH IS 266.50 FEET NORTH, MEASURED AT RIGHT ANGLES, FROM THE SAID SOUTH LINE OF THE NORTHEAST 1/4 OF SECTION 17 AND WHICH IS 339 FEET EAST OF THE INTERSECTION OF SAID SOUTH LINE OF THE NORTHEAST 1/4 AND THE EASTERLY LINE OF THE RIGHT OF WAY OF THE ILLINOIS CENTRAL RAILROAD; THENCE NORTH ALONG A LINE WHICH IS AT RIGHT ANGLES TO SAID SOUTH LINE OF THE NORTHEAST 1/4, A DISTANCE OF 9.70 FEET; THENCE WEST ALONG A LINE PARALLEL WITH SAID SOUTH LINE 163.05 FEET TO THE EASTERLY LINE OF COMMERCIAL AVENUE; THENCE IN A SOUTHWESTERLY DIRECTION ALONG SAID EASTERLY LINE OF

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COMMERCIAL AVENUE 53.25 FEET TO THE SOUTHWEST CORNER OF SAID BLOCK 1, SAID POINT BEING 244.92 FEET NORTHEASTERLY OF THE SAID SOUTH LINE OF THE NORTHEAST 1/4 AS MEASURED ALONG SAID EASTERLY LINE OF COMMERCIAL AVENUE; THENCE NORTHEASTERLY ALONG A CURVED LINE, CONVEX TO THE NORTH, AND HAVING A RADIUS OF 800 FEET, A DISTANCE OF 194.96 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS,

AND ALSO EXCEPT THAT PART OF SAID BLOCK 1, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF BLOCK 1 (BEING ALSO THE EASTERLY LINE OF COMMERCIAL AVENUE) WITH A LINE 440.86 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID NORTHEAST 1/4 OF SECTION 17; THENCE EAST ALONG SAID LINE 440.86 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTHEAST 1/4 OF SECTION 17, A DISTANCE OF 265.96 FEET TO THE NORTHEAST CORNER OF A BRICK BUILDING, THENCE SOUTH ALONG A LINE FORMING AN ANGLE OF 89 DEGREES, 41 MINUTES, 50 SECONDS FROM EAST TO SOUTH WITH LAST DESCRIBED PARALLEL LINE, A DISTANCE OF 32.16 FEET TO A LINE 408.70 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION 17; THENCE WEST ALONG THE LAST DESCRIBED PARALLEL LINE A DISTANCE OF 279.01 FEET TO THE NORTHWESTERLY LINE OF SAID BLOCK 1; THENCE NORTHEASTERLY ON THE LAST DESCRIBED LINE A DISTANCE OF 34.70 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF LOT 1 OF BUDA COMPANY'S SUBDIVISION OF PART OF THE COUNTY CLERK'S SUBDIVISION OF UNSUBDIVIDED LANDS IN THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWEST CORNER OF SAID LOT 1, SAID POINT BEING ON THE EASTERLY LINE OF COMMERCIAL AVENUE AND 244.92 FEET NORTHEASTERLY FROM THE SOUTH LINE OF SAID NORTHEAST 1/4; THENCE NORTHEASTERLY ALONG SAID EAST LINE OF SAID COMMERCIAL AVENUE, A DISTANCE OF 53.25 FEET; THENCE EASTERLY ALONG A LINE A DISTANCE OF 163.05 FEET; THENCE SOUTH A DISTANCE OF 9.7 FEET TO THE SOUTH LINE OF SAID LOT 1; THENCE SOUTHWESTERLY ALONG A CURVED LINE CONVEX TO THE NORTH HAVING A RADIUS OF 800 FEET FOR A DISTANCE OF 194.96 FEET TO THE PLACE OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 11, 13, 14, AND 15, TOGETHER WITH VACATED ALLEYS APPURTENANT TO SAID LOTS 11 AND 15, IN COUNTY CLERK'S DIVISION OF UNSUBDIVIDED LANDS IN THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EASTERLY OF THE ILLINOIS CENTRAL RAILROAD, ACCORDING TO THE PLAT RECORDED MAY 29, 1895 IN BOOK 61 OF PLATS PAGE 46 AS DOCUMENT 2222480, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

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ALL THAT PORTION OF LOT 12 BOUNDED AND DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT ON THE NORTH SIDE OF 155TH STREET WHERE THE WESTERLY LINE OF THE RIGHT OF WAY OF THE CALUMET TERMINAL RAILROAD (NOW BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD) INTERSECTS SAID STREET RUNNING ALONG SAID WESTERN LINE OF SAID RIGHT OF WAY IN A NORTHWESTERLY DIRECTION A DISTANCE OF 208.4 FEET; THENCE WESTERLY A DISTANCE OF 87 FEET TO THE NORTHEAST CORNER OF LOT 11 OF SAID UNSUBDIVIDED LANDS; THENCE SOUTH A DISTANCE OF 47.5 FEET; THENCE EASTERLY ALONG THE NORTH LINE OF LOTS 13 AND 14 OF SAID UNSUBDIVIDED LANDS A DISTANCE OF 103.7 FEET; THENCE SOUTHEASTERLY ALONG THE NORTHEAST BOUNDARY LINE OF SAID LOT 14 A DISTANCE OF 36.2 FEET; THENCE SOUTH ALONG THE EASTERN BOUNDARY LINE OF SAID LOT 14 TO THE NORTH LINE OF 155TH STREET; THENCE EAST ALONG SAID NORTH LINE OF 155TH STREET A DISTANCE OF 79.23 FEET TO THE PLACE OF BEGINNING IN THE COUNTY CLERK'S DIVISION OF UNSUBDIVIDED LANDS IN THE NORTHEAST 1/4 OF SECTION 17 AFORESAID, ACCORDING TO PLAT RECORDED MAY 22, 1895 IN BOOK 61 OF PLATS PAGE 46 AS DOCUMENT 2222480, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

A PORTION OF LAND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF LOT 11 OF COUNTY CLERK'S DIVISION OF UNSUBDIVIDED LAND IN THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE ILLINOIS CENTRAL RAILROAD, WHICH POINT IS 172.5 FEET SOUTH OF THE NORTH LINE OF SAID LOT 11; THENCE SOUTH ALONG SAID WEST LINE EXTENDED FOR A DISTANCE OF 8.27 FEET; THENCE 400.00 FEET EASTERLY ALONG A LINE APPROXIMATELY PARALLEL TO THE CENTER LINE OF 155TH STREET; THENCE NORTH ALONG THE EAST LINE OF SAID LOT 11 EXTENDED 8.42 FEET TO A POINT 172.5 FEET SOUTH OF THE NORTH LINE OF SAID LOT 11; THENCE WEST 400.00 FEET, MORE OR LESS, ALONG THE NORTH LINE OF 155TH STREET TO PLACE OF BEGINNING ALL IN THE CITY OF HARVEY, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 6:

THAT PART OF LOT 12 LYING NORTH OF THE NORTH LINE OF LOT 11 AND NORTH OF SAID NORTH LINE OF LOT 11 EXTENDED EAST TO THE WEST LINE OF CHICAGO CENTRAL AND CALUMET TERMINAL RAILROAD (NOW BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD) RIGHT OF WAY IN COUNTY CLERKS DIVISION OF UNSUBDIVIDED LANDS IN THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND EAST OF THE ILLINOIS CENTRAL RAILROAD, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WEST LINE OF THE RIGHT OF WAY OF THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD, 208.4 FEET NORTHWESTERLY FROM THE POINT OF INTERSECTION OF THE WEST LINE OF SAID RIGHT OF WAY WITH THE NORTH LINE OF 155TH STREET AND MEASURED ALONG THE WEST LINE OF SAID RIGHT OF WAY; THENCE WEST ALONG A LINE PARALLEL TO SAID NORTH LINE OF 155TH

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STREET A DISTANCE OF 168 FEET; THENCE NORTH ALONG A LINE AT RIGHT ANGLES TO SAID NORTH LINE OF 155TH STREET, 129.43 FEET; THENCE EAST ALONG A STRAIGHT LINE 41.8 FEET, MORE OR LESS, TO THE AFOREMENTIONED WEST RIGHT OF WAY LINE OF THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD; THENCE SOUTHEASTERLY ALONG SAID WESTERLY RIGHT OF WAY LINE TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 7:

THAT PART OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF THE SAID NORTHEAST 1/4 AND THE EAST LINE OF THE RIGHT OF WAY OF THE ILLINOIS CENTRAL RAILROAD, RUNNING THENCE EAST ALONG SAID SOUTH LINE 843.48 FEET; THENCE NORTH AT RIGHT ANGLES TO SAID SOUTH LINE 150 FEET; THENCE EAST ON A LINE PARALLEL TO SAID SOUTH LINE 174.24 FEET; THENCE NORTH AT RIGHT ANGLES TO SAID NORTH LINE 250 FEET; THENCE WEST ALONG A LINE PARALLEL TO SAID SOUTH LINE 855.36 FEET, TO THE EAST LINE OF THE RIGHT OF WAY OF THE ILLINOIS CENTRAL RAILROAD; THENCE SOUTHWESTERLY ALONG THE SAID RIGHT OF WAY LINE TO THE PLACE OF BEGINNING (EXCEPTING THOSE PARTS THEREOF FALLING IN LOTS 1 AND 3 IN THE BUDA COMPANY'S SUBDIVISION OF PART OF THE COUNTY CLERK'S SUBDIVISION OF UNSUBDIVIDED LANDS IN THE NORTHEAST 1/4 OF SAID SECTION 17, AND EXCEPTING THOSE PARTS THEREOF FALLING WITHIN COMMERCIAL AVENUE AND 155TH STREET), IN COOK COUNTY, ILLINOIS.

PARCEL 8:

EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCELS 1 THROUGH 7, AS A TRACT, PURSUANT TO RECIPROCAL EASEMENT AGREEMENT EXECUTED BY AND BETWEEN GRAND TRUNK WESTERN RAILROAD CORPORATION, AN ILLINOIS CORPORATION, AND BLISS & LAUGHLIN STEEL COMPANY, A DELAWARE CORPORATION, RECORDED FEBRUARY 14, 2000 AS DOCUMENT 00109592, AS DESCRIBED IN EXHIBITS 'C' AND 'D' ATTACHED THERETO.

PIN: 29-17-214-015-0000
29-17-214-021-0000
29-17-214-027-0000

Common Address: 281 E. 155th Street, Harvey, IL