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MORTGAGE AND SECURITY AGREEMENT

BETWEEN

OLYMPIC STEEL, INC.

AND

THE FIFTH THIRD BANK

MAXIMUM AMOUNT UNPAID PRINCIPAL INDEBTEDNESS: \$11,000,000

DATED AS OF OCTOBER 1, 1993

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MORTGAGE AND SECURITY AGREEMENT

(Maximum Amount Unpaid Principal Indebtedness \$11,000,000)

THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") made as of the 1st day of October, 1993, between OLYMPIC STEEL, INC., an Ohio corporation (the "Mortgagor"), and THE FIFTH THIRD BANK, an Ohio banking corporation (the "Mortgagee").

WITNESSETH:

WHEREAS, Mortgagor has issued its Variable Rate Taxable Demand Notes, Series 1993 in the principal sum of Eleven Million Dollars (\$11,000,000) (the "Notes");

WHEREAS, the proceeds from the Notes shall be used to refund and retire indebtedness of Mortgagor (the "Prior Debt").

WHEREAS, Mortgagor has entered into a Trust Indenture (the "Indenture") with The Fifth Third Bank, as Trustee (the "Trustee"), pursuant to which the Mortgagor has agreed to issue the Notes and the Trustee has agreed to be Trustee for the noteholders of the Notes (the Indenture and other documents relating to the issuance of the Notes are hereinafter the "Note Documents"); and

WHEREAS, to secure the repayment of the principal and interest on the Notes to the noteholders the Mortgagee has issued its Ten Million One Hundred Fifty Thousand Dollars (\$10,150,000) irrevocable direct-pay Letter of Credit for the account of Mortgagor and with the Trustee, as the Beneficiary (the "Letter of Credit"); and

WHEREAS, any and all payments by Mortgagee to the Trustee under the direct-pay Letter of Credit are to be promptly reimbursed by Mortgagor pursuant to the terms of the Reimbursement Agreement of even date between Mortgagor and Mortgagee (the "Reimbursement Agreement"); and

WHEREAS, Mortgagor's obligation to make payments to reimburse Mortgagee for Mortgagee's payments under the Letter of Credit are to be secured by this Mortgage and by those documents identified in the Reimbursement Agreement as the Security Documents, and Mortgagor and Mortgagee both agree that the Letter of Credit would not be issued but for Mortgagor granting this Mortgage to Mortgagee;

NOW, THEREFORE, to secure (i) the payment of the Indebtedness and Impositions (as defined below) and the interest thereon, (ii) the payment of any

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advances or expenses of any kind incurred by Mortgagee pursuant to the provisions of or on account of the Letter of Credit (the interest on which varies in accordance with the terms of the Reimbursement Agreement), the Reimbursement Agreement or of this Mortgage, (iii) the repayment of future advances disbursed by Mortgagee to Mortgagor in excess of the principal of the indebtedness, and (iv) the performance of the Mortgagor's obligations under the Reimbursement Agreement, the parties agree as follows:

ARTICLE I.

GRANTING PROVISIONS

The Mortgagor does hereby grant, bargain, sell, release, convey, assign, transfer and mortgage to Mortgagee, its successors and assigns forever, the real estate located in Cook County, Illinois described in Exhibit A attached hereto (hereinafter the "Site"), and all of the estate, title and interest of Mortgagor, in law or equity, of, in and to such real estate and the buildings and improvements now existing, being constructed, or hereafter constructed or placed thereon, all of the rights, privileges, licenses, easements and appurtenances belonging to such real estate (including all heretofore or hereafter vacated streets or alleys which are about such real estate), all of the rents, leases, issues and profits thereof, and all fixtures of every kind whatsoever located in or on, or attached to, and used or intended to be used in connection with or with the operation of such real estate, buildings, structures or other improvements thereon or in connection with any construction now or to be constructed or which may be constructed thereon, together with all building materials and equipment now or hereafter delivered to such real estate and intended to be installed therein; together with all equipment, machinery, apparatus, fittings, fixtures, inventory, air conditioning equipment, heaters, pipes, water heaters, plumbing and electrical fixtures and supplies, generators, maintenance equipment, switchboards, furniture, furnishings, televisions, beds, dressers, chests of drawers, radios, lamps, pictures, telephones, carpets, rugs, heating, plumbing, washroom, toilet and lavatory fixtures and equipment, towels, ventilating and incinerating apparatus, fire extinguishing apparatus or systems, elevators, safes, ducts, sweeping, vacuuming and other cleaning equipment, all used or useable in connection with the operation of any improvements and appurtenant facilities erected or to be erected upon the Site, now or hereafter, whether affixed or not affixed; and all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing, and the proceeds of any of the foregoing (all of the foregoing, including the Site being hereinafter collectively called the "Property").

The Mortgagor further hereby grants, conveys, and assigns to Mortgagee, its successors and assigns all rents, issues and profits of any of the foregoing and all

proceeds of the conversion (voluntary or involuntary) of the same into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards.

TO HAVE AND TO HOLD the Property hereby conveyed, granted and assigned, unto Mortgagee, and its successors and assigns forever, for the uses and purposes herein set forth.

ARTICLE 2.

REPRESENTATIONS AND WARRANTIES

2.1 In General. Mortgagor represents and warrants that it is the lawful owner in fee simple of the Property, that the title to the Property is free, clear and unencumbered except for those covenants and restrictions of record approved by Mortgagee and set forth in Exhibit B and except for real estate taxes and assessments not yet due and payable; that it has good legal right, authority, and full power to sell and convey the same and to execute this Mortgage; that Mortgagor will make any further assurances of title that Mortgagee may require; and that Mortgagor will warrant and defend the Property against all claims and demands whatsoever, and that Mortgagor will keep and observe all of the terms of this Mortgage on Mortgagor's part to be performed.

2.2 No Proceedings. Mortgagor represents, covenants and warrants that there are no suits or proceedings pending, or threatened, to the knowledge of Mortgagor, against or affecting Mortgagor which, if adversely determined, would have an adverse effect on the Property or financial condition or business of Mortgagor.

2.3 Further Assurances. Mortgagor shall execute and deliver to Mortgagee at Mortgagee's request all financing statements, continuation statements, fixture filings, endorsements of filings, certificates of title, letters of authority and all other documents that Mortgagee may reasonably request, in form satisfactory to Mortgagee, to perfect and maintain perfected Mortgagee's security interest and lien created hereby and to fully consummate all transactions contemplated under this Mortgage. Mortgagor hereby irrevocably appoints Mortgagee and Mortgagee's designee as Mortgagor's true and lawful attorney-in-fact with power to sign the name of Mortgagor on any such documents. Mortgagor ratifies and approves all acts of Mortgagee and its designees as attorney-in-fact. Mortgagee or its designees as attorney-in-fact will not be liable for any acts or omissions, or for any error of judgment or mistake of fact or law, except for bad faith or gross negligence.

2.4 Reinstatement of Lien. If, at any time after payment in full by Mortgagor of all indebtedness and termination of Mortgagee's liens created hereby, any

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payments on indebtedness theretofore made by Mortgagor or any other person must be disgorged by Mortgagee for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of Mortgagor or such other person), this Mortgage and Mortgagee's Liens granted hereunder shall be reinstated as to all disgorged payments as though such payment had not been made, and Mortgagor shall sign and deliver to Mortgagee all documents and things necessary to reperfect all terminated liens.

2.5 Other Amounts Deemed Indebtedness. If Mortgagor fails to pay any tax, assessment, government charge or levy or to maintain insurance within the time permitted by this Mortgage, or to discharge any lien prohibited hereby, or to comply with any other obligation, Mortgagee may, but shall not be required to, pay, satisfy, discharge or bond the same for the account of Mortgagor, and to the extent permitted by law and at the option of Mortgagee all monies so paid out shall be deemed indebtedness of Mortgagor to Mortgagee secured hereby.

ARTICLE 3.

COVENANTS

Mortgagor hereby covenants and agrees with Mortgagee as follows:

3.1 Indebtedness. Mortgagor will promptly pay, or cause to be paid, when due, the following indebtedness (hereinafter collectively called the "Indebtedness"):

(a) The reimbursement obligations under the Reimbursement Agreement in the maximum original amount of Ten Million One Hundred Fifty Thousand Dollars (\$10,150,000) and all extensions and renewals thereof;

(b) All advances or expenses of any kind incurred by Mortgagee pursuant to the provisions of or on account of the Reimbursement Agreement or this Mortgage; and

(c) All fees, payments or charges required to be paid under the Reimbursement Agreement and all future advances disbursed by Mortgagee to Mortgagor under Section 7.2 hereof;

(d) Payment of all other sums with interest thereon becoming due and payable to Mortgagee herein under the terms hereof or as set forth in the Reimbursement Agreement, or as set forth in any other Security Documents (as defined in the Reimbursement Agreement); and

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(e) Performance and discharge of each and every term, provision, condition, obligation, covenant, and agreement of Mortgagor herein or as set forth in the Reimbursement Agreement, or as set forth in any other Security Documents.

3.2 Impositions. Mortgagor will pay, or cause to be paid, when due (subject to Section 3.10 hereof):

(a) All of the following (hereinafter collectively called the "Impositions"): all real estate taxes, personal property taxes, assessments, water and sewer rates and charges, and all other governmental levies and charges, of every kind and nature whatsoever, general and special, ordinary and extraordinary, which are assessed, levied, confirmed, imposed or become a lien upon or against the Property or any portion thereof, and all taxes, assessments and charges upon the rents, issues, income or profits of the Property, or which become payable with respect thereto or with respect to the occupancy, use or possession of the Property, whether such taxes, assessments or charges are levied directly or indirectly;

(b) All other payments or charges required to be paid to comply with the terms and provisions of this Mortgage and Reimbursement Agreement and all Security Documents (as defined in the Reimbursement Agreement), all of which are incorporated herein by reference.

(c) At the sole election of Mortgagee after a default by Mortgagor hereunder, any semi-annual payments made by Mortgagor to Mortgagee at the time payments are due under the Reimbursement Agreement shall be accompanied by a sum of money to be held without interest on account of real estate taxes and assessments levied against the Property and insurance premiums for policies required under Section 3.6, below, equal to one-half of the annual amount of such charges as estimated by Mortgagee, in order to accumulate sufficient funds to pay such taxes, assessments and insurance premiums 30 days prior to their due date. Said sum shall be held in trust by Mortgagee and, provided Mortgagor is not in default hereunder, said sum so held shall be used to pay taxes and insurance. In the event of default hereunder, Mortgagee may apply all monies held pursuant to this paragraph in the manner it, in its sole discretion, determines; and

(d) All other fees, charges and assessments, general or special, in connection with the Property. Within 10 days after demand therefor, Mortgagor shall deliver to Mortgagee the original, or a photostatic copy, of the official receipt evidencing payment of Impositions or other proof of payment satisfactory to Mortgagee. Notwithstanding the provisions of Section 3.2(a), above, any tax or special assessment which is a lien on the Property may be paid in installments provided that

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each installment is paid on or prior to the date when the same is due without the imposition of any penalty.

3.3 Compliance with Laws. Mortgagor will comply in all substantial respects with all statutes, laws, ordinances, and governmental rules, regulations and orders to which it is subject or which are applicable to its business, properties and assets.

3.4 Condition of Property. Mortgagor will keep and maintain, or cause to be kept and maintained, the Property (including all improvements thereon and the roads, drives, sidewalks, sewers, and curbs) in good order and condition, and will make or cause to be made, as and when the same become necessary, all structural and nonstructural and all ordinary and extraordinary repairs and all maintenance necessary to that end, will suffer no waste to the Property, and will cause all repairs and maintenance to the Property to be done in a good and workmanlike manner, subject to the provisions herein for insurance and condemnation in Sections 3.6 and 3.8 hereof.

3.5 Improvements. Mortgagor will not remove or demolish, or suffer or permit others to remove or demolish, any improvements once installed or placed on the Property or, subject to the provisions of Section 3.4 above, cause or permit such improvements to be materially changed or altered without the prior written consent of Mortgagee. Mortgagor will not institute or cause to be instituted any proceedings that could change the permitted use of the Property from the use presently zoned.

3.6 Insurance. Mortgagor will keep all improvements, if any, now on, or that hereafter may be put upon, the Property, including buildings and fixtures used in the operation of the Property, insured at all times through a standard extended coverage all risk policy, against loss or damage by fire, lightning, and such other risks of damage, hazards, vandalism, malicious mischief, and all other perils customarily covered in a standard extended coverage all risk policy, in an amount not less than the lesser of \$10,150,000 (with respect to all real property securing the indebtedness) or the full 100% replacement cost of the Property and all improvements including the cost of debris removal. The Mortgagor shall maintain comprehensive general public liability insurance in the form and amounts satisfactory to the Mortgagee. Mortgagor shall also maintain, during the period in which any construction, alteration or improvements are being made to the Property, contingent liability insurance covering any claim not covered by the general comprehensive insurance referred to above and also maintain worker's compensation insurance covering all employees engaged in making such construction alterations and improvements. Mortgagor shall maintain all insurance required herein, and other insurance required by the Mortgagee, from time to time, in the manner and form specified by the Mortgagee subject to the following terms and conditions:

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(a) All policies of insurance required by this Section 3.6 shall be issued by a company or companies and in amounts acceptable to, and in every respect satisfactory to, Mortgagee and shall contain a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to Mortgagee and a provision that Mortgagee is the mortgagee and lender's loss payee thereunder. All policies of liability insurance shall list Mortgagor and Mortgagee as named insureds. Mortgagor shall provide Mortgagee a Certificate to the effect that such coverage is in effect concurrently with the execution and delivery of this Mortgage. If Mortgagor fails to carry any insurance required to be carried by Mortgagor under the terms of this Mortgage, Mortgagee, at its option, may procure and maintain such insurance and Mortgagor will promptly reimburse Mortgagee for any premiums paid by Mortgagee for such insurance. The originals of all policies of insurance, except liability insurance, required to be carried under this Mortgage, bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Mortgagee of such payment, shall be promptly delivered to Mortgagee upon Mortgagee's request.

(b) All policies of insurance required by this Section 3.6 shall contain a noncontributory standard mortgagee clause in favor of Mortgagee and a waiver of Insurer's right of subrogation against funds paid under the standard mortgagee endorsement. In case of a lender's loss payable under such insurance for damage to or destruction of the Property, the right to adjust all claims under such insurance policies, and the application of the proceeds of any such claim, are assigned to Mortgagee.

(c) After written notice from Mortgagee after a default by Mortgagor hereunder, Mortgagor shall pay to the Mortgagee, at the same time payments are due under the Reimbursement Agreement, an additional sum of money equal to a portion of the annual premium for fire, extended coverage insurance, and such other insurance as Mortgagee shall require hereunder, so that one month prior to the due date for the payment of the annual premium for such insurance, Mortgagee shall have sufficient funds to pay said premium. Said sum shall be held by Mortgagee free of claims, creditors, and without interest and, provided Mortgagor is not in default hereunder, said sums so held by Mortgagee shall be used for the payment of insurance premiums. In the event of a default hereunder, Mortgagee may apply all monies held pursuant to this Section in the manner it, in the exercise of its sole discretion, determines.

(d) Mortgagee consents to Mortgagor providing any of the insurance required hereunder through blanket policies carried by Mortgagor and covering more than one location. Mortgagor shall furnish Mortgagee with a certificate of such policy for the Property together with a certificate of insurance for each such policy setting forth the coverage, the limits of liability, the name of the carrier, the

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policy number, and the expiration date. Any such policies shall otherwise comply with the provisions of this Mortgage and shall allocate to the Property the coverage specified hereunder, which shall not be less than that which would have been afforded under a separate policy relating only to the Property without possibility of reduction or coinsurance by reason of, or damage to, any other property named therein.

(e) Mortgagor shall give prompt written notice to Mortgagee of any casualty to all or any part of the Property.

(i) If all or any part of the Property in excess of \$500,000 in value is damaged or destroyed, and if Mortgagee in its reasonable discretion elects not to have Mortgagor replace, restore or rebuild the Property, all proceeds of insurance shall be payable to Mortgagee, and the same (less costs, fees and expenses incurred by Mortgagee in the collection thereof, including, without limitation, adjuster's and attorney's fees and expenses to the extent permitted by law) shall be applied against all sums payable to Mortgagee under this Mortgage and the other Security Documents, against accrued but unpaid interest under the Reimbursement Agreement and against the repayments due under the Reimbursement Agreement, in such order as Mortgagee shall determine, without any penalty or fee for prepayment. Mortgagor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Mortgagee. Mortgagor shall pay directly to Mortgagee any deficiency between the insurance proceeds paid to Mortgagee and the total indebtedness owing from Mortgagor to Mortgagee, consisting of interest, principal, and other costs and expenses recoverable by Mortgagee under the Reimbursement Agreement and the Security Documents.

(ii) In all cases not described in the first sentence in Section 3.6 (e)(i) above, all insurance proceeds on account of any damage to or destruction of the Property (less costs, fees and expenses incurred by Mortgagee in the collection thereof, including without limitation, adjuster's and attorney's fees and expenses to the extent permitted by law) shall be paid to Mortgagee to be applied as follows:

(1) Mortgagor shall furnish to Mortgagee evidence satisfactory to Mortgagee of the total cost of restoration, replacement or rebuilding of the Property as nearly as possible to its value, condition, and character immediately prior to such damage or destruction (such restoration,

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replacement and rebuilding, together with any temporary repairs and property protection pending completion of the work, is hereafter referred to as "Restoration"). The Mortgagee shall hold all insurance proceeds until Mortgagor deposits with Mortgagee the total amount of money ("Restoration Deposit") which, when added to the insurance proceeds on hand, less anticipated costs of collection and administration, is sufficient in Mortgagee's reasonable judgment to pay the cost of the Restoration; the total of such amounts is hereafter referred to as the "Net Damage Proceeds".

(2) After the Mortgagee has received the Net Damage Proceeds, the Net Damage Proceeds shall, unless an Event of Default has occurred and is continuing, be paid to Mortgagor or as Mortgagor may direct, from time to time as Restoration progresses, to pay (or reimburse Mortgagor for) the cost of Restoration. Such payment shall be made only upon the request of Mortgagor verified by Mortgagee or a construction expert chosen by Mortgagee and accompanied by such evidence as Mortgagee may reasonably request, consistent with standard construction lending practices, including without limitation, evidence (A) of satisfactory progress of completion of Restoration in accordance with plans approved by Mortgagee and applicable law, and (B) that the Net Damage Proceeds remaining are sufficient to cover the cost of the remaining Restoration, (C) of satisfactory affidavits, certificates, waivers and releases of lien and (D) that all work then performed to date, other than work for which payment is included within any then current request, has been paid in full, subject to any retention for which Net Damage Proceeds have not been disbursed. In addition, Mortgagee is hereby authorized and empowered to do all things provided to be done by a mortgagee under federal, state or local law (relating to the priority of mortgages over mechanics', materialmen's and similar liens), and any present or future amendments or supplements thereto, for the protection of Mortgagee's interest in the Property.

(3) Upon written approval by Mortgagee, which may be withheld in Mortgagee's absolute discretion, in lieu of the cash Restoration Deposit required above, Mortgagor may

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deposit with Mortgagee (i) an Irrevocable letter of credit in the amount of the Restoration Deposit issued by a financial institution approved by Mortgagee and in form satisfactory to Mortgagee in its sole discretion or (ii) another form of cash equivalent in the amount of the Restoration Deposit in form satisfactory to Mortgagee in its sole discretion, to secure Mortgagor's obligations with respect to Restoration of the Property and Mortgagor's other obligations hereunder, under the Reimbursement Agreement and under the other Security Documents.

(f) Notwithstanding the foregoing, in the event (i) of any claim or loss involving a single loss aggregating less than \$500,000 or (ii) Restoration is completed in accordance with applicable law and Mortgagor submits to Mortgagee evidence satisfactory to Mortgagee of such completion and of payment of the cost thereof in full prior to date of disbursement of insurance proceeds, such proceeds shall be paid to Mortgagor. Mortgagor may settle, adjust or compromise any claim or loss under any policy of insurance involving a single loss aggregating less than \$500,000.

(g) Except to the extent that insurance proceeds are received by Mortgagee and applied to the indebtedness secured hereby, nothing herein contained shall excuse Mortgagor from repairing or maintaining the Property as provided in Section 3.4 or restoring all damage or destruction to the Property, regardless of whether any such proceeds are sufficient in amount. The application or release by Mortgagee of insurance proceeds shall not cure or waive any Event of Default or notice of the same or invalidate any act done pursuant to such notice.

3.7 Sale, Transfer or Encumbrance.

(a) Mortgagor will not further mortgage, sell or convey, grant a deed of trust, pledge, grant a security interest in, contract to do any of the foregoing, execute a land contract or installment sales contract, enter into a lease whether with or without option to purchase or otherwise dispose of, further encumber or suffer the encumbrance of, whether by operation of law or otherwise, the Property, without the prior written consent of Mortgagee. Provided, however, that the Bank will agree to release from the lien of this Mortgage any portion of the Property sold by Mortgagor to a third party in a bona fide real estate sale so long as the ratio of the then Stated Amount of the Letter of Credit to the Value (as defined below) of all real property collateral securing the Mortgagor's obligations under the Reimbursement Agreement (the "Appraised Property") is .75:1. Value means the lesser of (i) the appraised value of the Appraised Property as of the date hereof or (ii) the current appraised value of the Appraised Property as of the dates of the proposed sale. The costs of any such appraisals shall be borne by the Mortgagor.

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(b) Mortgagor will keep and maintain the Property free from all liens of persons supplying labor and materials for the construction, modification, repair or maintenance of any building or improvements on or relating to the Property. If any such lien is filed against the Property, Mortgagor will discharge the same of record within 30 days after the lien is filed or, if not filed, within 30 days after Mortgagor has notice thereof, provided that, in connection with any such lien or claim that Mortgagor may in good faith desire to contest, upon prior written notice to Mortgagee the Mortgagor may contest the same by appropriate legal proceedings, diligently prosecuted if, upon request of Mortgagee, Mortgagor has posted a bond or other security sufficient to pay such lien or claim.

(c) If a major portion of the Property or any beneficial interest therein, is sold, conveyed, transferred, encumbered, or full possessory rights therein transferred, whether voluntarily, involuntarily, or by operation of law, then the Mortgagee may declare all sums secured by the Mortgage herein to be immediately due and payable, whether or not the Mortgagee has consented or waived its rights in connection with any previous similar transaction.

3.8 Eminent Domain. Should the Property or any part thereof or any interest therein be taken or damaged by reason of exercise of the power of eminent domain (including inverse condemnation) or in any similar manner (collectively, "Condemnation"), or should Mortgagor receive any notice or other information regarding a Condemnation proceeding, Mortgagor shall give prompt written notice thereof to Mortgagee.

(a) If as a result of any Condemnation, the entire Site is taken, or if so much thereof is taken that in the reasonable judgment of Mortgagee the balance of the Site cannot reasonably and profitably be operated, or if pursuant to the provisions of Section 3.8(f), Mortgagor elects not to replace, restore or rebuild on the Site, Mortgagee shall be entitled to and shall receive the entire compensation, awards and other payments or relief therefore (collectively, "Condemnation Proceeds") which Mortgagor is entitled to receive pursuant to the Condemnation (less costs, fees and expenses incurred by Mortgagee in the collection thereof, including, without limitation, attorneys' fees and expenses, to the extent permitted by law) and such sum shall be applied against all sums payable to Mortgagee under this Mortgage and the other Security Documents, against accrued but unpaid interest under the Reimbursement Agreement and against the payments due under the Reimbursement Agreement in such order as Mortgagee shall determine. Mortgagor hereby assigns to Mortgagee all of Mortgagor's right, title and interest in and to all Condemnation Proceeds, including, without limitation, interest.

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(b) If paragraph (a) does not apply, then in the event of any Condemnation, all Condemnation Proceeds which Mortgagor is entitled to receive shall be delivered to Mortgagee.

(c) Condemnation Proceeds received by the Mortgagee pursuant to paragraph (b) (less costs, fees and expenses incurred by Mortgagee in the collection thereof, including without limitation, attorneys' fees and expenses, to the extent permitted by law) shall be applied as follows:

(1) Mortgagor shall promptly furnish to Mortgagee evidence satisfactory to Mortgagee of the total cost of restoration, replacement or rebuilding of the remainder of the Property as nearly as possible to its value, condition and character prior to such Condemnation (such restoration, replacement and rebuilding, together with any temporary repairs and property protection pending completion of the work, being herein called "Condemnation Restoration"). The Mortgagee shall hold all Condemnation Proceeds until it receives from Mortgagor the total amount of money ("Condemnation Restoration Deposit") which, when added to the Condemnation Proceeds on hand, is sufficient to pay the cost of Condemnation Restoration; the total of such amounts is hereinafter referred to as the "Net Condemnation Proceeds."

(2) After the conditions of subparagraph (1) have been complied with, the Net Condemnation Proceeds received on account of any Condemnation shall, unless an Event of Default has occurred and is continuing, to be paid to Mortgagor or as Mortgagor may direct, from time to time as Condemnation Restoration progresses, to pay (or reimburse Mortgagor for) the cost of Condemnation Restoration. Such payment shall be made only upon request of Mortgagor verified by any agent or designee of Mortgagee accompanied by such evidence as Mortgagee may reasonably request, consistent with standard construction lending practice, including, without limitation, evidence (A) of satisfactory progress of completion of Condemnation Restoration in accordance with plans approved by Mortgagee and applicable law, (B) that the Net Condemnation Proceeds remaining are sufficient to cover the cost of the remaining Condemnation Restoration, (C) of satisfactory affidavits, certificates, waivers and releases of lien, and (D) that all

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work then performed to date, other than work for which payment is included within any then current request, has been paid for in full, subject to any retention for which Net Condemnation Proceeds have not been disbursed. In addition, Mortgagee is hereby authorized and empowered to do all things provided to be done by a mortgagee under federal, state or local law (relating to the priority of mortgages over mechanics', materialmen's and similar liens), and any present or future amendments or supplements thereto, for the protection of Mortgagee's interest in the Property.

(3) Upon written approval by Mortgagee, which may be withheld in Mortgagee's absolute discretion, in lieu of making the Condemnation Restoration Deposit, Mortgagor may deposit with Mortgagee (i) an irrevocable letter of credit in the amount of the Condemnation Restoration Deposit issued by a financial institution approved by Mortgagee and in form satisfactory to Mortgagee in its discretion or (ii) another form of cash equivalent in the amount of the Condemnation Restoration Deposit in form satisfactory to Mortgagee in its discretion, to secure Mortgagor's obligations with respect to Condemnation Restoration of the Property and Mortgagor's other obligations hereunder, under the Reimbursement Agreement and under the other Security Documents.

(d) Notwithstanding the foregoing, but subject to paragraph (e) below, in the event (1) of any Condemnation involving a single loss aggregating less than \$50,000 or (2) Condemnation Restoration is completed in accordance with applicable law and Mortgagor submits to Mortgagee evidence satisfactory to Mortgagee and any agent or designee of Mortgagee of such completion and payment of the cost thereof in full prior to the date of disbursement of Condemnation Proceeds, such Condemnation Proceeds shall be paid to Mortgagor.

(e) In the event any action is filed to condemn all or part of the Property under the power of eminent domain, or any action is filed to acquire the temporary use of all or part of the Property, or any such action is filed to acquire the temporary use of all or part of the Property, or any such action is threatened, Mortgagee shall have the right to represent Mortgagee's interest in each proceeding, negotiation or settlement with respect to any taking or threatened taking and to make full proof of its claims. No agreement, settlement, conveyance or transfer to or with

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the condemning authority shall be made without the consent of Mortgagee, whether or not Mortgagee elects to participate in such proceeding, negotiation or settlement.

(f) By written notice given within 30 days of the date of Condemnation of any portion of the Property, Mortgagor may elect to prepay all Indebtedness and other sums due under the Reimbursement Agreement, this Mortgage and the remaining Security Documents.

(g) Mortgagor will execute and deliver any agreements, instruments or documents necessary to effect collection of any Condemnation Proceeds with interest thereon. Nothing contained herein shall in any way affect the obligation of Mortgagor to perform and observe all of the terms, conditions and provisions of this Mortgage, nor affect the lien of this Mortgage or the liability of Mortgagor under the Reimbursement Agreement and Security Documents.

3.9 Rights of Mortgagee. If Mortgagor fails to pay any Impositions or to make any other payment required to be made by Mortgagor under this Mortgage at the time and in the manner provided in this Mortgage, or if an Event of Default occurs under this Mortgage, the Reimbursement Agreement, or any other Security Documents, then without limiting the generality of any other provisions of this Mortgage and without waiving or releasing Mortgagor from any of its obligations hereunder, Mortgagee shall have the right, but shall be under no obligation, to pay any Impositions or other payment, or any sums due under this Mortgage, or the Reimbursement Agreement or any other Security Document for the payment of taxes, assessments, insurance premiums, or costs incurred for the protection of the Property, and may perform any other act or take such action as may be appropriate to cause such other term, covenant, condition or obligation to be promptly performed or observed on behalf of Mortgagor. In any such event, Mortgagee and any person designated by Mortgagee shall have, and is hereby granted, the right to enter upon the Property at any time and from time to time for the purpose of performing any such act or taking any such action, and all monies expended by Mortgagee in connection with making such payment or performing such act (including, but not limited to, legal expenses and disbursements), together with interest thereon from the date of each such expenditure at the Default Rate (as defined in the Reimbursement Agreement) from the date of expenditure, shall be paid by Mortgagor to Mortgagee forthwith upon demand by Mortgagee and shall be secured by this Mortgage. The Mortgagee shall have the right at reasonable times to enter into and inspect the Property.

3.10 Unpaid Impositions. In the event that any governmental agency claims that any tax or other governmental charge or Imposition is due, unpaid or payable by Mortgagor or Mortgagee upon the Property or the Indebtedness (other than income tax, franchise tax or similar tax on the interest or premium receivable by Mortgagee thereunder) and including any recording tax, documentary stamps or other

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tax or Imposition on the Reimbursement Agreement, Letter of Credit, this Mortgage or any other Security Documents, Mortgagor forthwith will either (a) pay such tax and, within a reasonable time thereafter, deliver to Mortgagee satisfactory proof of payment thereof or (b) deposit with Mortgagee the amount of such claimed tax or other governmental charge or imposition, together with interest and penalties thereon, or other security reasonably satisfactory to Mortgagee, pending an application for a review of the claim for such tax or other governmental charge or imposition and thereafter furnish either evidence satisfactory to Mortgagee that such claim has been withdrawn or defeated (in which event any such deposit shall be returned to Mortgagor) or at the direction from Mortgagor to Mortgagee to pay the same out of the deposit above mentioned, with any excess due over the amount of such deposit to be paid by Mortgagor directly to the taxing authority and any excess of such deposit over such payment by Mortgagee to be returned to Mortgagor provided Mortgagor is not in default under the provisions of this Mortgage. Notwithstanding the foregoing, Mortgagor may not contest any of the above Impositions if such contest would subject the Mortgagor or the Mortgagee to any criminal liability, or if delay in compliance with any of the Impositions, shall, in the reasonable judgment of the Mortgagee, place all or any part of the Property in imminent danger of being forfeited or lost, then the Mortgagor shall, upon notice from the Mortgagee, immediately comply with such Impositions.

3.11 Conflict Among Agreements. This Mortgage is given in conjunction with a Reimbursement Agreement bearing even date herewith between Mortgagor and Mortgagee providing as collateral security among other things this first and only Mortgage on Mortgagor's right, title, and interest in and to the Property. In the event of any conflict between the provisions of this Mortgage and the provisions of the Reimbursement Agreement, the provisions of the Reimbursement Agreement shall prevail.

ARTICLE 4.

EVENTS OF DEFAULT

The entire Indebtedness shall automatically become due and payable, at the option of Mortgagee, without notice or demand, if any one or more of the following events ("Events of Default") shall occur and be continuing beyond any applicable grace period as hereinafter provided:

4.1 Cross-Default. If an Event of Default occurs under the Reimbursement Agreement or any other Security Document.

4.2 Breach of Covenants. If Mortgagor fails to maintain in force the insurance required by the Insurance section of this Mortgage; or if Mortgagor defaults in the performance or observance of any other covenant or agreement contained herein and such default continues for 30 days after notice from Mortgagee.

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4.3 Representations and Warranties Untrue. If any representation or warranty of the Mortgagor under this Mortgage proves untrue or misleading in any material respect.

4.4 Foreclosure. If any foreclosure proceeding (whether judicial or otherwise) is instituted on any mortgage or lien of any kind encumbering any portion of the Property.

4.5 Other Obligations. If any default occurs under any other obligation of Mortgagor to Mortgagee.

4.6 Restoration Defaults. If: (A) Mortgagor fails to cause Restoration to be commenced within 45 days following Mortgagee's approval of the evidence provided pursuant to Section 3.6(e)(1)(1); (B) Mortgagor fails to proceed to complete such Restoration in a diligent and efficient manner and Mortgagee determines in its reasonable discretion that such failure has continued uncured for more than 30 days following notice of such failure to Mortgagor; or (C) Mortgagor fails to furnish evidence satisfactory to Mortgagee within 30 days following Mortgagee's demand therefor that Mortgagor has paid toward the cost of Restoration such amount (in addition to insurance proceeds) as shall be necessary to pay for any increased costs of completing the Restoration as estimated from time to time by Mortgagee, in its reasonable discretion.

4.7 Loss or Damage. If Mortgagor fails to keep its assets insured as required herein, or material uninsured damage to or loss, theft or destruction of the Property occurs.

4.8 Miscellaneous. Any of the following occurs: there is a material impairment of the value or priority of Mortgagee's liens on the Property; or a notice of lien, levy or assessment is filed against the Property and is not dismissed within sixty (60) days; or the Property or any portion thereof is seized, attached, or otherwise levied upon by a judicial officer.

ARTICLE 5.

REMEDIES

5.1 Remedies. (a) Upon the occurrence of an Event of Default, Mortgagee shall have the right to exercise all rights and remedies provided by law or in equity to which Mortgagee is entitled, including, without limiting the generality of the foregoing, the right to declare the Indebtedness and all sums due or to become due under this Mortgage, the Reimbursement Agreement and the Security Documents to be accelerated and to be due and payable in full.

(b) Upon the occurrence of any one or more Events of Default, Mortgagee in accordance with the Reimbursement Agreement, may, in addition to any

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rights or remedies available to it hereunder or under the other Security Documents and to the extent permitted by applicable law, take such action personally or by its agents or attorneys, with or without entry, and without notice, demand, presentment or protest (each and all of which are hereby waived), as it deems necessary or advisable to protect and enforce its rights and remedies against Mortgagor and in and to the Property, including the following actions, each of which may be pursued concurrently or otherwise, in its sole discretion, without impairing or otherwise affecting its other rights or remedies:

(i) declare the entire balance of the Indebtedness to be immediately due and payable, and upon any such declaration, the entire unpaid balance of the Indebtedness shall become and be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Mortgagor, anything in any other Security Documents to the contrary notwithstanding; or

(ii) institute a proceeding or proceedings, judicial or otherwise, for the complete or partial foreclosure of this Mortgage under any applicable provision of law; or

(iii) sell (or the power of sale, if permitted and provided by applicable law, being expressly granted by Mortgagor to Mortgagee) the Property, and all estate, right, title, interest, claim and demand of Mortgagor therein, and all rights of redemption thereof, at one or more sales, as an entirety or in parcels, with such elements of real and/or personal property, and at such time and place and upon such terms as it may deem expedient, or as may be required by applicable law, and in the event of a sale, by foreclosure or otherwise, of less than all of the Property, this Mortgage shall continue as a lien and security interest on the remaining portion of the Property; or

(iv) institute an action, suit or proceeding in equity for the specific performance of any of the provisions contained in the Security Documents; or

(v) apply for the appointment of a receiver, custodian, trustee, liquidator or conservator of the Property to be vested with the fullest powers permitted under applicable law, as a matter of right and without regard to, or the necessity to disprove, the adequacy of the security for the Indebtedness or the solvency of Mortgagor or any other person liable for the payment of the Indebtedness, and Mortgagor and each such person liable for the payment of the Indebtedness consents or shall be deemed to have consented to such appointment; or

(vi) enter upon the Property, and exclude Mortgagor and its agents and servants wholly therefrom, without liability for trespass, damages or otherwise, and take possession of all books, records and accounts relating thereto and all other Property, and Mortgagor agree to surrender possession of the Property and of such books, records and accounts to Mortgagee on demand after the happening of any

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Event of Default; and having and holding the same may use, operate, manage, preserve, control and otherwise deal therewith and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers, without interference from Mortgagor; and upon each such entry and from time to time thereafter Mortgagee may, at the expense of Mortgagor and the Property, without interference by Mortgagor and as Mortgagee may deem advisable, (A) insure or reinsure the Property, (B) make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments and improvements thereto and thereon and (C) in every such case in connection with the foregoing have the right to exercise all rights and powers of Mortgagor with respect to the Property, either in Mortgagor's name or otherwise; or

(vii) with or without the entrance upon the Property, collect, receive, sue for and recover it in its own name all rents and cash collateral derived from the Property, and after deducting therefrom all costs, expenses and liabilities of every character incurred by Mortgagee in controlling the same and in using, operating, managing, preserving and controlling the Property, and otherwise in exercising Mortgagee rights under subsection (vi) of this Section, including all amounts necessary to pay impositions, insurance premiums and other charges in connection with the Property, as well as compensation for the services of Mortgagee and its respective attorneys, agents and employees, to apply the remainder as provided herein and in the Reimbursement Agreement; or

(viii) release any portion of the Property for such consideration as Mortgagee may require without as to the remainder of the Property, in any way impairing or affecting the position of any subordinate lienholder with respect thereto, except to the extent that the indebtedness shall have been reduced by the actual monetary consideration, if any, received by Mortgagee for such release and applied to the indebtedness, and may accept by assignment, pledge or otherwise any other property in place thereof as Mortgagee may require without being accountable for so doing to any other lienholder; or

(ix) take all actions permitted under the Uniform Commercial Code in effect in the State in which the Property or any portion thereof is located; or

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

5.2 Costs and Expenses. At any time after the indebtedness hereby secured shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose such lien, there shall be allowed and included as additional indebtedness in the decree of sale, to the extent permitted by law, all expenditures and expenses that may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, court costs, appraisers' fees, sheriff's fees,

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documentary and expert evidence, stenographers' charges, publication costs and such other costs and expenses as Mortgagee may deem reasonably necessary to prosecute such suit or to evidence to bidders at any sale that may be had pursuant to such decree the true condition of the title to or the value of the Property. To the extent permitted by law, all such expenditures and expenses shall become additional Indebtedness secured hereby and shall be due and payable on demand with interest thereon from the date of expenditure at the Default Rate and in addition shall include expenditures and expenses incurred by Mortgagee in connection with (a) a foreclosure proceeding; (b) any proceeding to which Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any of the indebtedness; (c) preparations for the commencement of any suit for foreclosure hereby after accrual of such right to foreclosure, whether or not actually commenced; or (d) preparation for the defense of or investigation of any threatened suit, claim or proceeding that might affect the Property, whether or not actually commenced.

5.3 Proceeds. The proceeds received by Mortgagee in any foreclosure sale of the Property shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including (to the extent permitted by law) all such items as are mentioned in Section 5.2; second, to all other items which under the terms hereof constitute Indebtedness or Impositions; and, third, any surplus to Mortgagor, its legal representatives or assigns, or to third persons with rights in the Property, as their rights may appear.

5.4 Mortgagee's Cause of Action. Mortgagee shall have the right, from time to time, to bring an appropriate action to recover any sums required to be paid by Mortgagor under the terms of this Mortgage, the Reimbursement Agreement, as they become due, without regard to whether or not the principal indebtedness or any other sums secured by the Reimbursement Agreement, and this Mortgage shall be due, and without prejudice to the right of Mortgagee thereafter to institute foreclosure or otherwise dispose of the Property or any part thereof, or any other action, for any default by Mortgagor existing at the time the earlier action was commenced.

5.5 Rights Cumulative. The rights of Mortgagee arising under the provisions and covenants contained in this Mortgage, the Reimbursement Agreement, and any other Security Documents shall be separate, distinct and cumulative and none of them shall be exclusive of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein or in such other documents to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.

5.6 No Merger. It is the intention of the parties hereto that if the Mortgagee shall at any time hereafter acquire title to all or any portion of the Property, then, and until the Indebtedness secured hereby has been paid in full, the interest of the Mortgagee hereunder and the lien of this Mortgage shall not merge or become merged in or with the estate and interest of the Mortgagee as the holder and owner of title to all or any portion of the Property, and that, until such payment, the

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estate of the Mortgagee in the Property, and the lien of this Mortgage and the interest of the Mortgagee hereunder shall continue in full force and effect to the same extent as if the Mortgagee had not acquired title to all or any portion of the Property. Furthermore, if the estate of the Mortgagor shall be a leasehold, unless the Mortgagee shall otherwise consent, the fee title of the Property leased shall not merge but shall always be kept separate and distinct, notwithstanding the union of said estates either in the ground lessor or in the fee owner, or in a third party, by purchase or otherwise. If, however, the Mortgagee shall be requested to and/or shall consent to such merger or such merger shall nevertheless occur without its consent, then this Mortgage shall attach to and cover and be a lien upon the fee title or any other estate, title or interest in the Property devised under the ground lease acquired by the fee owner and the same shall be considered as granted, released, assigned, transferred, pledged, enfeoffed, and set over to the Mortgagee and the lien hereof spread to cover such estate with the same force and effect as though specifically herein granted, released, assigned, transferred, pledged, enfeoffed, set over and spread.

ARTICLE 6.

MISCELLANEOUS

6.1 Uniform Commercial Code Security Agreement. This Mortgage is intended to be a security agreement pursuant to the Uniform Commercial Code as adopted in Illinois for any of the items specified above as the Property which may be subject to a security interest pursuant to the applicable version of the Uniform Commercial Code, and Mortgagor hereby grants Mortgagee a security interest in such portion of the Property. Mortgagor agrees that Mortgagee may file this mortgage instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this Mortgage shall be sufficient as a financing statement. In addition, Mortgagor agrees to execute and deliver to Mortgagee upon Mortgagee's request any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Mortgage in such form as Mortgagee may require to perfect a security interest therein. Mortgagor shall pay all costs of filing such financing statement and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Mortgagee may require. Without the prior written consent of Mortgagee, Mortgagor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in the Property, including replacements and additions thereto. Upon any Event of Default under this Mortgage, Mortgagee shall have the remedies of a secured party under the Uniform Commercial Code and, at Mortgagee's option, may also invoke the remedies provided in this Mortgage. In exercising any of said remedies, Mortgagee may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Mortgagee's remedies under the Uniform Commercial Code or of the remedies in this Mortgage.

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6.2 Waiver. (a) A waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, or of the Reimbursement Agreement or any Security Documents, shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver, but all of the terms, covenants, conditions and other provisions of this Mortgage and of such other documents shall survive and continue to remain in full force and effect. No waiver shall be asserted against Mortgagee unless in writing signed by Mortgagee.

(b) No delay or omission to exercise any right or power accruing upon any failure or event of default shall impair any right or power or shall be construed to be a waiver of any such failure or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

(c) No waiver of any failure or Event of Default hereunder by Mortgagee shall extend to or shall affect any subsequent failure or Event of Default or shall impair any rights or remedies consequent thereon.

(d) Neither Mortgagor nor any other person now or hereafter obligated for payment of all or any part of the sums now or hereafter secured by this Mortgage shall be relieved of such obligation by reason of the failure of Mortgagee to comply with any request of Mortgagor or of any other person so obligated to take action to foreclose on this Mortgage or otherwise enforce any provisions of this Mortgage, the Reimbursement Agreement, or by reason of the release, regardless of consideration, of all or any part of the security held for the indebtedness secured by this Mortgage, or by reason of any agreement or stipulation between any subsequent owner of the Property and Mortgagee extending the time of payment or modifying the terms of the Mortgage, without first having obtained the consent of Mortgagor or such other person; and in the latter event Mortgagor and all such other persons shall continue to be liable to make payments according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Mortgagee.

(e) Mortgagee may release, regardless of consideration, any part of the security held for the indebtedness secured by this Mortgage without, as to the remainder of the security, in any way impairing or affecting the lien of this Mortgage or its priority over any subordinate lien.

6.3 Paragraph Headings. The titles to the Sections and paragraphs hereof are for reference only and do not limit in any way the content thereof.

6.4 Amendments in Writing. No change, amendment, or modification hereof, or any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

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6.5 Notices. Mortgagor shall notify Mortgagee promptly of the occurrence of any of the following:

- (a) a fire or other casualty causing damage to the Property in excess of \$500,000;
 - (b) receipt of notice of condemnation of the Property or any part thereof;
 - (c) receipt of notice from any governmental authority relating to the structure, use or occupancy of the Property;
 - (d) receipt of any notice of alleged default from the holder of any lien or security interest in the Property;
 - (e) the commencement of any litigation affecting the Property;
- or
- (f) any change in the occupancy of the Property.

All notices, demands and requests given or required to be given by either party hereto to the other party shall be in writing and shall be deemed to have been properly given if sent in accordance with the terms of the Reimbursement Agreement addressed as follows:

To Mortgagor: Olympic Steel, Inc.
5080 Richmond Road
Cleveland, Ohio 44146
Attn: Vice President - Finance

With a copy to: Marc H. Morgenstern, Esq.
Kahn, Kleinman, Yanowitz & Arnson
The Tower at Erieview
Suite 2600
Cleveland, Ohio 44114

To Mortgagee: The Fifth Third Bank
1404 East Ninth Street
Cleveland, Ohio 44114
Attn: Commercial Loan Department

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With a copy to: The Fifth Third Bank
38 Fountain Square Plaza
Cincinnati, Ohio 45263
Attn: Legal Department

or to such other address as Mortgagor or Mortgagee may from time to time designate by written notice.

6.6 Interpretation of Words. Any words herein which are used in one gender shall be read and construed to mean or include the other gender wherever they would so apply. Any words herein which are used in the singular shall be read and construed to mean and to include the plural wherever they would so apply, and vice versa.

6.7 Interest. If from any circumstances whatsoever the fulfillment of any provision of this Mortgage involves transcending the limit of validity prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount, then the obligation to be fulfilled will be reduced to the limit of such validity as provided in such statute or law, so that in no event shall any exaction of interest be possible under this Mortgage in excess of the limit of such validity. In no event shall the Mortgagor be bound to pay interest of more than the legal limit for the use, forbearance or detention of money and the right to demand any such excess is hereby expressly waived by the Mortgagee.

6.8 Mortgagee's Duties. Mortgagor hereby acknowledges and agrees that the undertaking of Mortgagee under this Mortgage is limited as follows:

Mortgagee shall not act in any way as the agent for or trustee of Mortgagor. Mortgagee does not intend to act in any way for or on behalf of Mortgagor with respect to disbursement of the proceeds of the indebtedness secured hereby. Its purpose in making the requirements set forth herein and in the Reimbursement Agreement and Security Documents is that of a lender protecting the priority of its mortgage and the value of its security. Mortgagee assumes no responsibility for the completion of any improvements erected or to be erected upon the Property; the payment of bills or any other details in connection with the Property; any plans and specifications in connection with the Property; or Mortgagor's relations with any contractors. This Mortgage is not to be construed by Mortgagor or anyone furnishing labor, materials, or any other work or product for improving the mortgaged Property as an agreement upon the part of the Mortgagee to assure anyone that he will be paid for furnishing such labor, materials, or any other work or product; any such person must look entirely to Mortgagor for such payment. Mortgagee assumes no responsibility for the architectural or structural soundness of any improvements on or to be erected upon the premises or for the approval of any plans and specifications in connection therewith or for any improvements as finally completed.

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6.9 Local Law Provisions. This Mortgage secures unpaid balances of obligatory loan advances to be made by Mortgagee on behalf of Mortgagor pursuant to the terms and provisions of the Reimbursement Agreement, the terms and provisions of which are incorporated herein as if fully rewritten. Said Reimbursement Agreement obligates Mortgagee to advance certain sums under definite and certain conditions, in a particular manner and at the times set forth therein, the total outstanding indebtedness of which, at any one time, is equal to the amount of the debt secured by this Mortgage. The Reimbursement Agreement may be inspected by interested persons at the offices of the Mortgagee.

6.10 Covenant Running With the Land. Any act or agreement to be done or performed by Mortgagor shall be construed as a covenant running with the land and shall be binding upon Mortgagor and its successors and assigns as if they had personally made such agreement.

6.11 Execution Counterparts. This Mortgage may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

6.12 Validity. If any term, covenant or condition of this Mortgage shall be held to be invalid, illegal or unenforceable in any respect, this Mortgage shall be construed without such provision.

6.13 Governing Law. This Mortgage for all purposes shall be construed and enforced in accordance with the laws of the State of Illinois.

6.14 Assignment. The Mortgagee may assign this Mortgage to any other person, firm, or corporation provided all of the provisions hereof shall continue in force and effect and, in the event of such assignment, any advances made by any assignee shall be deemed made in pursuance and not in modification hereof and shall be evidenced and secured by this Mortgage.

ARTICLE 7.

DEFEASANCE: FUTURE ADVANCES

7.1 Defeasance. Mortgagor is indebted to Mortgagee up to the sum of Ten Million One Hundred Fifty Thousand Dollars (\$10,150,000), provided, nevertheless, that if Mortgagor shall keep, observe and perform all of the covenants and conditions of this Mortgage and the Reimbursement Agreement on its part to be kept and performed and shall pay, or cause to be paid, to Mortgagee all amounts due or to become due under the Reimbursement Agreement, and all extensions and renewals thereof, and all of the other indebtedness, and shall repay any loans and advances hereafter made by Mortgagee under the terms hereof, then this Mortgage shall be void, otherwise to remain in full force and effect.

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7.2 Future Advances. The parties hereto intend and agree that this Mortgage shall secure unpaid balances of any loan advances, whether obligatory or not, and whether made pursuant to the Letter of Credit and Reimbursement Agreement or not, made by Mortgagee after this Mortgage is delivered to the recorder for record to the extent that the total unpaid indebtedness, exclusive of interest thereon, does not exceed the maximum amount of unpaid indebtedness which may be outstanding at any time, which is Eleven Million Dollars (\$11,000,000). Mortgagor further covenants and agrees to repay all such advances with interest, and that the covenants contained in this Mortgage shall apply to such advances as well.

IN WITNESS WHEREOF, this instrument has been executed by Mortgagor on the date first written above.

Witnesses:

Daniel R. Blum
Printed Name: DANIEL R. BLUM

Jeffrey L. Rohr
Printed Name: JEFFREY L. ROHR

MORTGAGOR:

OLYMPIC STEEL, INC

By: R. Louis Schneeberger

Its: VICE PRESIDENT - FINANCE

Printed Name: R. LOUIS SCHNEEBERGER

STATE OF OHIO)
) ss.
COUNTY OF CUYAHOGA)

BEFORE ME, a Notary Public, in and for said State, personally appeared R. Louis Schneeberger, the V.P. - Finance of Olympic Steel, Inc., an Ohio corporation, who executed the foregoing document, and acknowledged the signing thereof to be his voluntary act and deed as such officer and the voluntary act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunder set my hand and official seal this 19th day of October, 1993.

Jeffrey L. Rohr
Notary Public
JEFFREY L. ROHR, Attorney at Law
Notary Public, State of Ohio
My Commission has no expiration date
Section 147.03 O. R. C.

This instrument prepared by:
Jeffrey L. Rohr, Esq.
Graydon, Head & Ritchey
1900 Fifth Third Center
P.O. Box 6464
Cincinnati, Ohio 45201

After recording, MAIL to:
Chicago Title Insurance Company
171 North Clark Street
Chicago, Illinois 60601
Attn: Irene Chase

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EXHIBIT A

The Site

Common Address: 1111 Chase Avenue, Elk Grove Village, Illinois

Permanent Index Number: 08-27-303-017

Volume: 50

Lot 124 in Centex Industrial Park Unit 90, being a Subdivision in Section 27, Township 41 North, Range 11, East of the third principal meridian in Cook County, Illinois.

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EXHIBIT B

Permitted Encumbrances

1. Rights of the public, the State of Illinois and the municipality in and to the West 80 feet of the land as dedicated for Lively Boulevard by plat of subdivision aforesaid recorded August 27, 1968 as Document No. 20596539.
2. Rights of the public, the State of Illinois and the municipality in and to the northerly 60 feet and the easterly 60 feet of the land, as dedicated for Chase Avenue by plat of subdivision aforesaid recorded August 27, 1968 as Document No. 20596539.
3. 25 foot building line on the West and North lines of said Lot 124 as shown on plat of subdivision aforesaid.
4. Easements over the West 25 feet, the North 25 feet and the South 15 feet of said Lot 124 for public utilities and drainage, as shown on plat of subdivision aforesaid.
5. Easements over the West 25 feet and the North 25 feet of Lot 124 for sewer and water products, as shown on plat of subdivision aforesaid.
6. Easement in favor of the Illinois Bell Telephone Company and the Commonwealth Edison Company, and its/their respective successors and assigns, to install, operate and maintain all equipment necessary for the purpose of serving the land and other property, together with the right of access to said equipment, and the provisions relating thereto contained in the plat recorded/filed as Document No. 20596539, affecting the West 25 feet, North 25 feet and South 15 feet of the land.
7. Easement over the West 25 feet, North 25 feet and South 15 feet of said Lot 124 for the purpose of installing and maintaining gas mains and appurtenances, as granted to Northern Illinois Gas Company, as shown on the plat of subdivision aforesaid.
8. Covenants and restrictions contained in Deed from Chicago Title and Trust Company, as trustee under Trust Agreement dated April 12, 1962, known as Trust Number 44344 to Viking Steel Company, a corporation Ohio dated September 18, 1968 and recorded September 26, 1968 as Document No. 20627756 relating to the use of the land, character, location, height and use of buildings to be erected on the land, and providing for off street parking. NOTE: Said instrument contains no provision for a forfeiture of or reversion of title in case of breach of condition.
9. Utility easement for purpose of erecting, constructing, maintaining and operating utility services, over, across, under and through the land in the designated set back areas, as reserved to the Grantor in the Deed noted above as Document No. 20627755.

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